

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

**12 CRIM068**

UNITED STATES OF AMERICA :  
 :  
 -v.- :  
 JUDITH FULGENCIO, :  
 :  
 Defendant. :  
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INDICTMENT  
12 Cr.

**COUNT ONE**  
**(Conspiracy)**

The Grand Jury charges:

**Background**

1. At all times relevant to this Indictment, natural born citizens of the Commonwealth of Puerto Rico were, upon birth, automatically granted United States citizenship.

2. At all times relevant to this Indictment, citizens of the Commonwealth of Puerto Rico were, upon application, issued Social Security numbers ("SSNs") by the Social Security Administration. SSNs issued to people whose mailing addresses at the time of application were in Puerto Rico began with the numbers 580, 581, 582, 583, 584, 596, 597, 598, and 599 (the "Puerto Rican SSNs").

3. At all times relevant to this Indictment, citizens of the Commonwealth of Puerto Rico who resided in Puerto Rico typically did not file tax returns with the Internal Revenue Service ("IRS") because such filings were not

JUDGE PATTERSON

required as long as all of the Puerto Rico resident's income was derived from sources in Puerto Rico.

**The Scheme**

4. From at least in or about 2006 through in or about June 2007, JUDITH FULGENCIO, the defendant, and co-conspirators not named herein, engaged in a scheme to cash over \$1.8 million in fraudulently-issued federal and New York State tax refund checks. The scheme worked, in substance and in part, as follows:

a. Participants in the scheme unlawfully obtained identification information of citizens of Puerto Rico, including names, dates of birth, and Puerto Rican SSNs (the "Puerto Rican Identities").

b. Participants in the scheme used the Puerto Rican Identities to generate fraudulent tax returns claiming large refunds. By using the Puerto Rican Identities to generate the tax returns, participants in the scheme, among other things, minimized the risk that a legitimate tax return already would have been filed by the person whose identity was used to file the fraudulent tax returns.

c. Participants in the scheme directed the tax refund checks that were generated based on the fraudulent claims to be sent to mailing addresses controlled by participants in the scheme, or along mail routes in which a

United States Postal Service employee who had been bribed to participate in the scheme could pull the tax refund checks from the mail.

d. A co-conspirator not named herein ("CC-1") obtained hundreds of these fraudulently-obtained tax refund checks from participants in the scheme and brought, or directed others to bring, the tax refund checks to a branch of J.P. Morgan Chase bank ("Chase") in the Bronx called the "Yankee Stadium Branch" so that the checks could be cashed.

e. JUDITH FULGENCIO, the defendant, served during all periods relevant to the Indictment as a personal banker at the Yankee Stadium Branch. FULGENCIO agreed to help facilitate the scheme by using the authority given to her by Chase to approve the checks for cashing, and to direct tellers to cash the checks and provide her with the cash proceeds from the checks. FULGENCIO would provide the proceeds of the check cashing activities to CC-1 or to an individual sent by CC-1.

f. FULGENCIO directed tellers whom they supervised to cash checks in a manner that deliberately avoided the filing of Currency Transaction Reports ("CTRs") and thereby concealed from bank examiners and law enforcement CC-1's role in bringing in tens of thousands of dollars of fraudulent tax refund checks to be cashed on a regular basis.

g. FULGENCIO agreed to perform these tasks in exchange for tens of thousands of dollars in cash bribes. FULGENCIO also offered thousands of dollars in cash bribes to tellers who performed these tasks at her direction.

**Statutory Allegations**

5. From at least in or about 2006, up to and including in or about June 2007, in the Southern District of New York and elsewhere, JUDITH FULGENCIO, the defendant, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit: (a) theft of federal funds, in violation of Title 18, United States Code, Section 641; (b) offering bribes to bank employees, in violation of Title 18, United States Code, Section 215(a)(1); and (c) soliciting bribes as bank employees, in violation of Title 18, United States Code, Section 215(a)(2).

6. It was a part and object of the conspiracy that JUDITH FULGENCIO, the defendant, and others known and unknown, willfully and knowingly would and did embezzle, steal, purloin, and convert to their own use and the use of another, and without authority, sell, convey, and dispose of a record, voucher, money, and thing of value of the United States and a

department and agency thereof exceeding \$1,000, in violation of Title 18, United States Code, Section 641.

7. It was a further part and object of the conspiracy that JUDITH FULGENCIO, the defendant, and others known and unknown, willfully, knowingly, and corruptly would and did give, offer, and promise things of value exceeding \$1,000 to a person, with intent to influence and reward an employee, agent and officer of a financial institution in connection with any business and transaction of such institution, in violation of Title 18, United States Code, Section 215(a)(1).

8. It was a further part and object of the conspiracy that JUDITH FULGENCIO, the defendant, and others known and unknown, willfully, knowingly, and corruptly, being employees, agents and officers of a financial institution, would and did solicit and demand for the benefit of a person, and accept and agree to accept things of value exceeding \$1,000, intending to be influenced and rewarded in connection with business and transactions of such institution, in violation of Title 18, United States Code, Section 215(a)(2).

**Overt Acts**

9. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among

others, were committed and caused to be committed in the Southern District of New York and elsewhere:

a. On or about May 18, 2007, JUDITH FULGENCIO, the defendant, authorized multiple federal tax refund checks to be cashed at the Chase Yankee Stadium Branch in the Bronx.

b. On or about May 18, 2007, JUDITH FULGENCIO, the defendant, deposited \$4,100 in cash into a bank account.

(Title 18, United States Code, Section 371.)

**COUNT TWO**  
**(Theft of Federal Funds)**

The Grand Jury further charges:

10. From at least in or about 2006 up to and including at least in or about June 2007, in the Southern District of New York and elsewhere, JUDITH FULGENCIO, the defendant, willfully and knowingly did embezzle, steal, purloin, and convert to her own use and the use of another, and without authority, sell, convey, and dispose of a record, voucher, money, and thing of value of the United States and a department and agency thereof exceeding \$1,000, to wit, FULGENCIO cashed, and aided and abetted the cashing, of fraudulently-obtained federal tax refund checks that CC-1 brought or caused to be brought into the Yankee Stadium Branch.

(Title 18, United States Code, Sections 641 and 2.)

**COUNT THREE**

(Bank Bribery - Offer and Payment)

The Grand Jury further charges:

11. From at least in or about 2006 up through and including in or about June 2007, in the Southern District of New York and elsewhere, JUDITH FULGENCIO, the defendant, willfully, knowingly, and corruptly gave, offered, and promised, things of value of greater than \$1,000 to a person, with the intent to influence and reward an employee, agent and officer of a financial institution in connection with any business and transaction of such institution, to wit, FULGENCIO offered cash payments of greater than \$1,000 to bank tellers whom she directed to cash tax refund checks in furtherance of the scheme.

(Title 18, United States Code, Sections 215(a)(1) & 2.)

**COUNT FOUR**

(Bank Bribery - Solicitation and Acceptance)

The Grand Jury further charges:

12. From at least in or about 2006 up through and including in or about June 2007, in the Southern District of New York and elsewhere, JUDITH FULGENCIO, the defendant, willfully, knowingly, and corruptly, being an officer, employee, and agent of a financial institution, corruptly solicited and demanded for the benefit of a person, and corruptly accepted and agreed to accept, things of value of

greater than \$1,000 from a person, intending to be influenced and rewarded in connection with business and transactions of such institution, to wit, while working as an employee at the Yankee Stadium Branch, FULGENCIO solicited and accepted tens of thousands of dollars from CC-1, in return for FULGENCIO's assistance in cashing fraudulently-obtained federal and state tax refund checks.

(Title 18, United States Code, Sections 215(a)(2) & 2.)

FORFEITURE ALLEGATION: COUNTS ONE, THREE AND FOUR

13. As the result of committing the bank bribery and bank bribery conspiracy offenses in violation of Title 18, United States Code, Sections 215 and 371, alleged in Counts One, Three, and Four of this Indictment, JUDITH FULGENCIO, the defendant, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2), all property constituting, or derived from, proceeds the defendant obtained, directly or indirectly, as the result of such violations.

Substitute Asset Provision

14. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third person;

(c) has been placed beyond the jurisdiction of  
the Court;

(d) has been substantially diminished in value;  
or

(e) has been commingled with other property  
which cannot be subdivided without difficulty;  
it is the intent of the United States, pursuant to 21 U.S.C.  
§ 853(p), to seek forfeiture of any other property of said  
defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982.)

  
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PREET BHARARA  
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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(18 U.S.C. §§ 215, 371, 641 & 2.)

PREET BHARARA

United States Attorney.

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