

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA	:	SEALED
	:	<u>INDICTMENT</u>
- v. -	:	12 Cr.
KENNY GRULLON,	:	
a/k/a "Jairo,"	:	
ANAIS MUNOZ,	:	
RONALD ESPINAL, and	:	
JURI SANTOS,	:	
Defendants.	:	

- - - - -X

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 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 2008 through at least in or about 2010, KENNY GRULLON, a/k/a "Jairo," ANAIS MUNOZ, RONALD ESPINAL, and JURI SANTOS, the defendants, and co-conspirators not named herein, engaged in a scheme to cash nearly \$1.5 million in fraudulently-obtained federal and New York State tax refund checks. The scheme worked, in sum and 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. ANAIS MUNOZ, the defendant, was a supervising teller at the Dyckman Street branch of a bank located in Manhattan, New York (the "Dyckman Branch"). RONALD ESPINAL and JURI SANTOS, the defendants, were regular tellers at the Dyckman Branch. SANTOS was at certain times supervised by MUNOZ.

e. KENNY GRULLON, a/k/a "Jairo," the defendant, provided fraudulently-obtained tax refund checks to MUNOZ, ESPINAL, and SANTOS. In their capacities as tellers, MUNOZ, ESPINAL, and SANTOS cashed the checks by, among other means, depositing the checks into accounts from which the funds were later withdrawn by MUNOZ, ESPINAL, SANTOS, and other co-conspirators.

Statutory Allegations

5. From at least in or about 2008, up to and including at least in or about 2010, in the Southern District of New York and elsewhere, KENNY GRULLON, a/k/a "Jairo," ANAIS MUNOZ, RONALD ESPINAL, and JURI SANTOS, the defendants, 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, theft of federal funds, in violation of Title 18, United States Code, Section 641.

6. It was a part and object of the conspiracy that KENNY GRULLON, a/k/a "Jairo," ANAIS MUNOZ, RONALD ESPINAL, and JURI SANTOS, the defendants, and others known and unknown, would and did embezzle, steal, purloin, and knowingly 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.

Overt Acts

7. 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 December 9, 2008, at the Dyckman Branch, ANAIS MUNOZ and JURI SANTOS, the defendants, each cashed a fraudulently-obtained federal tax refund check.

b. On or about March 3, 2009, at the Dyckman Branch, MUNOZ and SANTOS each cashed a fraudulently-obtained federal tax refund check.

c. On or about March 26, 2010, at the Dyckman Branch, RONALD ESPINAL, the defendant, cashed multiple fraudulently-obtained federal tax refund checks.

d. On or about April 1, 2010, in the vicinity of the Dyckman Branch in Manhattan, KENNY GRULLON, a/k/a "Jairo," the defendant, provided multiple fraudulently-obtained federal tax refund checks to a co-conspirator not named herein.

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

COUNT TWO
(Theft of Federal Funds)

The Grand Jury further charges:

8. From at least in or about 2008 up to and including at least in or about 2010, in the Southern District of New York and elsewhere, KENNY GRULLON, a/k/a "Jairo," ANAIS MUNOZ, RONALD ESPINAL, and JURI SANTOS, the defendants, did

embezzle, steal, purloin, and knowingly convert to their own use and the use of another, and without authority, did 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, GRULLON, MUNOZ, ESPINAL, and SANTOS cashed, and aided and abetted the cashing of, fraudulently-obtained federal tax refund checks at the Dyckman Branch.

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

COUNT THREE
(Bank Bribery - Offer and Payment)

The Grand Jury further charges:

9. From at least in or about January 2010 up to and including in or about April 2010, in the Southern District of New York and elsewhere, KENNY GRULLON, a/k/a "Jairo," and RONALD ESPINAL, the defendants, 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, GRULLON and ESPINAL offered cash payments of greater than \$1,000 to one or more bank tellers whom they directed to cash tax refund checks in furtherance of the scheme.

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

FORFEITURE ALLEGATIONS

10. As a result of committing the conspiracy to steal federal funds and theft of federal funds offenses alleged in Counts One and Two of this Indictment, in violation of 18 U.S.C. §§ 371, 641 and 2, KENNY GRULLON, a/k/a "Jairo," ANAIS MUNOZ, RONALD ESPINAL, and JURI SANTOS, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of these offenses.

11. As the result of committing the bank bribery offense alleged in Count Three of this Indictment, in violation of 18 U.S.C. § 215, KENNY GRULLON, a/k/a "Jairo," and RONALD ESPINAL, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2), any property constituting, or derived from, proceeds obtained directly or indirectly as the result of such violations.

Substitute Asset Provision

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

(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 the defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981 & 982; Title 21
United States Code, Section 853(p); and Title 28,
United States Code, Section 2461.)



PREET BHARARA
United States Attorney

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(18 U.S.C. §§ 371,
641, 215(a)(1), & 2)

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