

FILED
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THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

KING BRADLEY, JR.

No. **1:21-CR-00301**

Violations: Title 18, United States
Code, Sections 1001(a)(2) and 1343

UNDER SEAL

COUNT ONE

The SPECIAL NOVEMBER 2019 GRAND JURY charges:

1. At times material to this indictment:

Individuals and Entities Involved

a. The U.S. Railroad Retirement Board (“RRB”) was an independent agency of the Executive Branch of the United States headquartered in Chicago. The RRB’s primary function was to administer comprehensive retirement, disability, survivor, and unemployment/sickness benefit programs for the nation’s railroad workers and their eligible family members under the Railroad Retirement Act (“RRA”), Title 45 United States Code, Sections 231, *et. seq.*, and Railroad Unemployment Insurance Acts (“RUIA”), Title 45 United States Code, Chapter 11. The RRA replaced the Social Security Act for rail employers and employees.

b. The RRB administered disability benefits to railroad employees who had an occupational disability and were permanently disabled for work in their regular railroad occupation and to railroad employees who were totally and permanently disabled and unable to work in any kind of regular job.

c. In order for a railroad employee to apply for disability benefits, he or she had to complete, among other things, RRB Form AA-1d (Application for Determination of Employee's Disability) and RRB Form AA-1 (Application for Employee Annuity). Both the RRB Forms AA-1d and AA-1 required the applicant to complete certifications.

d. On RRB Form AA-1d, applicants had to describe in detail the limitations resulting from their impairment and state when they could no longer work because of their conditions. The signature page of the RRB Form AA-1d reminded an applicant that he or she had to answer these questions truthfully and provided:

I agree to immediately notify the RRB if I work for any employer, railroad or non-railroad, or perform any self-employment work; if my condition improves

I know that if I make a false or fraudulent statement in order to receive benefits from the RRB or if I fail to disclose earnings or report employment of any kind to the RRB, I am committing a crime, which is punishable under Federal law.

e. RRB Forms AA-1d and AA-1 also included certifications that the applicant has received the RRB Booklet Forms RB-1d (Employee Disability Benefits) and RB-9 (Employee and Spouse Annuities, Events That Must Be Reported), which contained, among other things, requirements to notify the RRB if the applicant's condition improved or if the applicant performed any work, including through self-employment, regardless of how much the applicant earned. In pertinent part, the Booklet provided:

"Occupational disability" means one is "permanently disabled" for work in your "regular railroad occupation."

“Total and permanent disability” means one is “unable to work in any kind of regular job” and “permanently disabled” for any kinds of “regular work.”

“Substantial gainful activity” is, in general, work which results in earnings . . . it also refers to work activity involving the performance of significant physical or mental duties, or a combination of both, which are productive in nature. If you work or are receiving an annuity based on total and permanent disability, or if you have a period of disability or early Medicare, you may be subject to a finding of substantial gainful activity.

“Regular work” is the performance of the full range of material and substantial duties of any regular and gainful employment with any employer. Substantial duties are those that involve significant mental or physical activity even if they are only done part time. Gainful employment is work that is done for pay or profit, or is the kind that is usually done for pay or profit even if no profit is realized.

“Substantial gainful work” is any work generally done for pay or profit that involves performing significant physical or mental duties. Work may be considered substantial even if it is done part time. In evaluating work, consideration is given to job duties, skill, and experience required to do the job, in addition to pay. Although current work may pay less or may be different from previous work, a person may not necessarily be considered disabled.

In any case, all work and earnings by a disability annuitant must be reported promptly to the RRB in order to avoid potential overpayments and penalties. (emphasis in original).

“Disability ends if” you medically recover so that you are able to work, or if you return to work and hold a job whether or not there has been any substantial improvement in your condition.”

If in doubt, report.

f. The RRB’s Disability Benefits Division (the “DBD”), located in Chicago, Illinois, reviewed applications for occupational disability and total and permanent disability, which were submitted by railroad employees. Once an

application was approved, the RRB in Chicago caused benefits payments to be issued by the United States Treasury to a bank account as designated by the applicant.

g. Occasionally, the RRB in Chicago directed district offices of the RRB to send out RRB Form G-254a (Continuing Disability Report) to an annuitant, which requested information regarding, among other things, the annuitant's disability, employment, earnings, and work. Form G-254a contained a certification that making false or fraudulent statements, withholding or misrepresenting a fact or facts material to determining a right to benefits under the RRA, and failing to promptly report working earnings to the RRB to receive benefits could result in criminal penalties and that the information in the forms was true to the best of the annuitant's knowledge.

h. From in or around 2006 to on or about September 29, 2011, defendant KING BRADLEY, JR., was a conductor at Illinois Central Railroad.

i. On or about March 10, 2013, BRADLEY submitted an application for total and permanent disability benefits. BRADLEY signed the certifications accompanying RRB Forms AA-1d and AA-1. The DBD granted defendant BRADLEY's application on or about July 10, 2013, and began causing BRADLEY's disability payments to be wired to a bank account at the Bank of Jackson in Jackson, Tennessee (the "Bank of Jackson Account"). BRADLEY was the only signatory on the Bank of Jackson Account.

j. On or about August 10, 2013 and August 13, 2013, the Social Security Administration (the "SSA") and RRB sent BRADLEY letters that reminded

BRADLEY that he had to report if he took a job, became self-employed, performed any work (regardless of how much he earned), or if his condition improved such that he was able to work.

k. Between in or around January 2014 and in or around February 2020, BRADLEY worked for a construction company ("Construction Company A"). BRADLEY's work included, among other things, visiting job sites, coordinating construction, delivering building materials, inspecting working conditions and work quality, liaising with local officials, and ensuring that projects were completed according to plans and specifications. Between in or around April 2014 and in or around November 2014, BRADLEY earned approximately \$1,000 per week and was an independent contractor for Construction Company A. At BRADLEY's direction, Construction Company A wired payments to the Bank of Jackson Account.

l. In or around October 2014, BRADLEY and Individual A opened a bank account at Centennial Bank (the "Centennial Bank Account") on which BRADLEY and Individual A were signatories.

m. In or around November 2014, BRADLEY became a full-time employee for Construction Company A. At BRADLEY's direction, Construction Company A paid BRADLEY approximately 20% of his gross income through wire payments to the Bank of Jackson Account. BRADLEY directed Construction Company A to pay the remaining 80% of his salary in the name of Individual A, and directed that this portion of his salary be paid into the Centennial Bank Account. During this time, Construction Company A reimbursed BRADLEY for expenses,

including for fuel, BRADLEY's truck, and for other miscellaneous expenses by check and direct deposit into the Bank of Jackson Account. Starting in or around August 2016, Construction Company A began wiring payments to Individual A to the Bank of Jackson Account.

n. On or about August 30, 2016, the RRB sent BRADLEY an RRB Form RL-7, which asked for additional information on BRADLEY's earnings as reported by Construction Company A to the SSA.

o. On or about June 22, 2017, the RRB sent BRADLEY an RRB Form G-254a (Continuing Disability Update Report). BRADLEY returned the form on or about July 22, 2017, and indicated that he was earning \$860 per month as a Manager Assistant. BRADLEY signed a certification on the Form G-254a. Based upon the information provided by BRADLEY, on or about August 28, 2017, the RRB sent a letter to BRADLEY that provided: "Based on the medical and work information provided on the G-254a, we have determined that you continue to be disabled and continue to be entitled to a disability annuity."

p. Every year, beginning in or around October 2015, the RRB in Chicago sent BRADLEY an RL-4 (Yearly Reminder Letter), which explained his responsibility to report work earnings and events that may affect his right to a disability and listed events that must be reported immediately to the RRB, including impairment improvement, return to work, performing work, whether for pay or not, including through self-employment, receipt of anything of value in lieu of salary or wages for any work. The RL-4 provided that BRADLEY had to immediately notify

the RRB if he had monthly earnings of over a certain amount and said that his annuity would not be payable for any month in which he earned over that amount. It further provided: "You cannot avoid this limitation by reporting, assigning or transferring your salary, earnings or wages to another person."

The Scheme to Defraud

2. Beginning no later than in or around January 2014, and continuing through in or around December 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

KING BRADLEY, JR.,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud the RRB and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, as further described below.

3. It was part of the scheme that, in order to receive disability benefits payments to which he was not entitled, BRADLEY made multiple false representations to the RRB and concealed material facts from the RRB concerning the extent of his work for Construction Company A and his receipt of money derived from the his work for Construction Company A.

4. It was further part of the scheme that, between in or around November 2014 and in or around November 2016, BRADLEY failed to respond to the RRB's Form RL-4 (Disability Reminder Notice) and did not notify the RRB that he was working at and earning income from Construction Company A.

5. It was further part of the scheme that, in order to conceal his work for and earnings from Construction Company A, BRADLEY failed to respond to the RRB Form RL-7 sent to BRADLEY by the RRB on or about August 30, 2016.

6. It was further part of the scheme that, on or about July 22, 2017, BRADLEY submitted an RRB Form G-254a to the RRB, which falsely listed his monthly earnings at \$860 per month for the period of 2014 through 2017. In truth, BRADLEY had directed Construction Company A to pay the remainder of his monthly earnings to Individual A, and BRADLEY's total monthly earnings were approximately \$4,515.47 in 2015, \$4,993.54 in 2016, and \$5,297.18 in 2017.

7. It was further part of the scheme that, between in or around November 2017 and in or around November 2019, BRADLEY failed to respond to the RRB's Form RL-4 (Disability Reminder Notice) and did not notify the RRB that Construction Company A was directing approximately 80% of BRADLEY's earnings to Individual A at BRADLEY's direction, in order to enable BRADLEY to report de minimis monthly earnings and keep his disability benefits.

8. It was further part of the scheme that, on or about December 1, 2020, BRADLEY made multiple false representations to law enforcement officials, by falsely representing that: (i) the monthly earnings disclosed as part of the G-254a on or about July 22, 2017 were accurate; (ii) his W-2 (Wage and Income Statements) from Construction Company A for 2014 through 2019 were accurate; (iii) Individual A's W-2s from Construction Company A for 2014 through 2019 were accurate; and (iv) Individual A had been working for Construction Company A.

9. It was further part of the scheme that, between in or around January 2014 and in or around February 2020, BRADLEY caused the RRB in Chicago to authorize the payment of disability benefits totaling approximately \$211,650 to which he was not entitled.

10. It was further part of the scheme that BRADLEY concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence of the scheme, the purposes of the scheme, and the acts done in furtherance of the scheme.

11. On or about December 1, 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

KING BRADLEY, JR.,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the United States Treasury in Kansas City, Missouri to the Bank of Jackson in Jackson, Tennessee, certain writings, signs, and signals, namely, a wire transfer of disability benefits in the amount of \$2,719.10;

In violation of Title 18, United States Code, 1343.

COUNT TWO

The SPECIAL NOVEMBER 2019 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One of this indictment are incorporated here.

2. On or about December 1, 2017, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

KING BRADLEY, JR.,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the United States Treasury in Kansas City, Missouri to Bank of Jackson in Jackson, Tennessee, certain writings, signs, and signals, namely, a wire transfer of disability benefits in the amount of \$2,673.10;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE

The SPECIAL NOVEMBER 2019 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One of this indictment are incorporated here.

2. On or about December 2, 2019, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

KING BRADLEY, JR.,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the United States Treasury in Kansas City, Missouri to the Bank of Jackson in Jackson, Tennessee, certain writings, signs, and signals, namely, a wire transfer of disability benefits in the amount of \$2,834.50;

In violation of Title 18, United States Code, Section 1343.

COUNT FOUR

The SPECIAL NOVEMBER 2019 GRAND JURY further charges:

1. Paragraphs 1 through 10 of Count One of this indictment are incorporated here.

2. On or about May 1, 2020, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

KING BRADLEY, JR.,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the United States Treasury in Kansas City, Missouri to the Bank of Jackson in Jackson, Tennessee, certain writings, signs, and signals, namely, a wire transfer of disability benefits in the amount of \$2,873.40;

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE

The SPECIAL NOVEMBER 2019 GRAND JURY further charges:

1. Paragraph 1 of Count One of this indictment is incorporated here.
2. Prior to on or about December 1, 2020, the Federal Bureau of Investigation (the "FBI") and the RRB had initiated an investigation of BRADLEY concerning potential violations of federal criminal law.
3. The following matters were material to the investigation: (i) whether BRADLEY was eligible to receive disability benefits from the RRB; (ii) whether BRADLEY had worked for an employer or performed any self-employment work since he began receiving disability benefits; (iii) whether Individual A worked for and earned income from Construction Company A; (iv) whether BRADLEY had accurately reported his income from Construction Company A; (v) whether BRADLEY's condition remained severe enough to prevent any work activity; and (vi) whether BRADLEY had misrepresented his eligibility to receive disability benefits to the RRB.
4. On or about December 1, 2020, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

KING BRADLEY, JR.,

defendant herein, did knowingly and willfully make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the FBI and RRB, each an agency within the executive branch of the government of the United States, when he stated the following:

i. BRADLEY said that the monthly income listed on the G-254a, which he submitted to the RRB on or about July 22, 2017, was accurate.

ii. BRADLEY said that the income listed on each of his W-2 (Wage and Income Statements) from Construction Company A for 2014 through 2019 was accurate.

iii. BRADLEY said that the income listed on each of Individual A's W-2 (Wage and Income Statements) from Construction Company A for 2014 through 2019 was accurate.

iv. BRADLEY said that Individual A worked for Construction Company A.

In violation of Title 18, United States Code, 1001(a)(2).

FORFEITURE ALLEGATION

The SPECIAL NOVEMBER 2019 GRAND JURY alleges:

1. The allegations contained in Counts One through Four of this indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of his violation of Title 18, United States Code, Section 1343 as set forth in the foregoing indictment,

KING BRADLEY, JR.,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interests of the defendant subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) include, but are not limited to, approximately \$211,650.

4. If any of the property described above, as a result of any act or omission by defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture or substitute property, as

provided in Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

Signed by Amarjeet Bhachu
on behalf of the
UNITED STATES ATTORNEY