

Approved: Kevin Sullivan
KEVIN SULLIVAN
Assistant United States Attorney

Before: THE HONORABLE PAUL E. DAVISON
United States Magistrate Judge
Southern District of New York

- - - - - X

UNITED STATES OF AMERICA

- v. -

RAFAEL GRULLON and
ALDO PALOMINO, JR.,

Defendants

- - - - - X

22 May. 6662

COMPLAINT

Violations of
18 U.S.C. §§ 371 and
1709

COUNTIES OF OFFENSE:
WESTCHESTER, BRONX

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID A. SCHWARTZ, being duly sworn, deposes and says
that he is a Postal Inspector with the United States Postal
Inspection Service ("USPIS"), and charges as follows:

COUNT ONE

(Conspiracy to Commit Theft and Receipt of Stolen Mail)

1. From at least in or about July 2020 up to and including in or about December 2020, in the Southern District of New York and elsewhere, RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, theft and receipt of stolen mail, in violation of Title 18, United States Code, Section 1708.

2. It was a part and object of the conspiracy that RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, as a letter carriers of the United States Postal Service ("Postal Service" or "USPS"), and others known and unknown, would and did (i) knowingly steal, take, abstract, and by fraud and deception obtain, and attempt so to obtain, from and out of mail, post offices, stations thereof, letter boxes, mail receptacles, mail routes, authorized depositories for mail matter, and from letter and mail carriers, letters, postal cards, packages, bags, and

mail, and abstracted and removed from such letters, packages, bags, and mail, articles and things contained therein, and secreted, embezzled, and destroyed such letters, postal cards, packages, bags, and mail, and articles and things contained therein, and (ii) knowingly buy, receive, or conceal, or unlawfully have in their possession, any letter, postal card, package, bag, or mail, or any article or thing contained therein, which has been so stolen, taken, embezzled, or abstracted, as herein described, knowing the same to have been stolen, taken, embezzled, or abstracted, to wit ABREU, stole, received, and aided and abetted the theft, receipt, and possession of hundreds of pieces mail sent by the New York State Department of Labor containing unemployment insurance benefit payments and related information.

Overt Acts

3. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about December 2, 2020, two co-conspirators ("CC-1" and "CC-2") possessed and safeguarded in a guest room of a hotel in Yonkers, New York, hundreds of pieces of mail sent by the New York State Department of Labor (the "NYS DOL") that had been stolen.

b. Between at least in or about July 2020 to at least in or about October 2020, CC-1 traveled on multiple occasions from locations in the Southern District of New York to locations in Queens, New York and met with OSCAR ABREU, another co-conspirator, to receive from ABREU the NYS DOL mail that he and RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, stole and to pay ABREU cash in exchange for the stolen mail.

c. On or about September 16, 2020, ABREU stole a piece of mail sent by the NYS DOL that was expected for delivery on or about that day to an address on his postal route in Queens, New York.

d. On or about October 8, 2020, PALOMINO, JR. stole a piece of mail sent by the NYS DOL that was expected for delivery on or about that day to an address on his postal route in Queens, New York.

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

COUNT TWO
(Theft of Mail by Officer or Employee)

4. From at least in or about July 2020 up to and including at least in or about November 2020, in the Southern District of New York, and elsewhere, RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, being Postal Service officers and employees, did knowingly embezzle letters, postal cards, packages, bags, and mail, and articles and things contained therein entrusted to them and which came into their possession intended to be conveyed by mail, and carried and delivered by any carrier, messenger, agent, and other person employed in any department of the Postal Service, and forwarded through and delivered from any post office or station thereof established by authority of the Postmaster General and of the Postal Service, and stole, abstracted, and removed from such letters, packages, bags, and mail, articles and things contained therein, to wit, PALOMINO, JR., and GRULLON stole mail that was sent by the New York State Department of Labor and forwarded through the Postal Service Processing and Distribution Center on Ninth Avenue in Manhattan, New York.

(Title 18, United States Code, Sections 1709
and 2.)

COUNT THREE
(Conspiracy to Receive Bribes)

5. From at least in or about May 2020 up to and including in or about December 2020, in the Southern District of New York and elsewhere, RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, receipt of bribes, in violation of Title 18, United States Code, Section 201(b)(2)(C).

6. It was a part and object of the conspiracy that RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, being public officials, and others known and unknown, directly and indirectly did corruptly demand, seek, receive, accept, and agree to receive and accept something of value personally, in return for being induced to do an act and omit to do an act in violation of GRULLON's and PALOMINO, JR.'s official duties, to wit, GRULLON and PALOMINO, JR. agreed to receive and did receive monetary payments in return for stealing mail to which GRULLON and PALOMINO, JR. had access by virtue of their positions as letter carriers of the USPS, in violation of their official duties as USPS letter carriers.

Overt Acts

7. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. Between at least in or about July 2020 to at least in or about October 2020, CC-1 traveled on multiple occasions from locations in the Southern District of New York to locations in Queens, New York and met with OSCAR ABREU, a co-conspirator, to receive from ABREU mail that he and RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, stole and to pay ABREU in exchange for the stolen mail.

The bases for my knowledge and for the foregoing charges are, in part, as follows:

8. I am a Postal Inspector with the USPIS, and I have been personally involved in the investigation of this matter. This affidavit is based on, among other things, my conversations with law enforcement officers and others, my examination of reports and records prepared by law enforcement officers and others, and my involvement in this investigation. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

CC-1's and CC-2's December 3, 2020 Yonkers Arrests

9. Based on my communications with law enforcement officers, my review of reports and records of the Yonkers Police Department ("YPD"), and my own participation in this investigation, I know that, on or about December 3, 2020, YPD officers responded to a 911 call from the front-desk clerk (the "Clerk") of a hotel located on Executive Boulevard in Yonkers, New York (the "Hotel") regarding a collection of suspicious mail found in one of the Hotel's guest rooms. Based on my review of a YPD report and statement of the Clerk taken by YPD, my review of other law enforcement documents prepared in connection with this investigation, and my communications with other law enforcement officers, I know the following:

a. On or about December 2, 2020, around 10:30 p.m., Hotel staff retrieved from Room 135 a large quantity of suspicious mail after receiving a call from a guest in Room 135 stating, in sum and substance, that some mail had been left in Room 135 by the prior guests. The mail consisted of numerous envelopes from the NYS DOL addressed to many different individuals. The mail appeared to be pre-sorted into bundles secured with rubber bands and other various stacks. Certain envelopes were already open and found to contain what appeared to be debit cards with pin numbers listed.

b. Officer-1, upon being shown by the Clerk the mail, including one of the opened envelopes with a debit card inside, felt several other unopened envelopes, and, based on what he felt, believed those envelopes also contained debit cards. A picture of the mail taken by the Clerk as found in Room 135 is below:



c. The prior guests who had been staying in Room 135 were originally supposed to check out that day but had extended their stay at the Hotel. Room 135 had already been booked for a new reservation starting that day, and so, the prior guests in Room 135 were moved to Room 213.

d. Shortly after the call from Room 135, a female guest from Room 335 ("Individual-1") spoke to the Clerk and explained, in sum and substance, that she was friends with the guests in Room 213, that she was translating for them because they do not speak English, and that they left some items in Room 135 and needed to retrieve them. The Clerk explained to

Individual-1 that Room 135 was occupied by new guests and that Individual-1's friends would have to wait until morning.

e. At approximately 12:00 a.m. on or about December 3, 2020, Individual-1 called the Clerk and insisted, in sum and substance, that she be able to go to Room 135 and retrieve the items that had been left by her friends in Room 213. The Clerk again explained, in sum and substance, that she could not do so until the morning. After speaking with Individual-1, the Clerk then called 911.

f. Upon responding to the Hotel, Officer-1 and the other responding YPD officers received from Hotel staff a visual description of the guests in Room 213. Officer-1 and another officer proceeded to the second floor of the Hotel to speak to the guests in Room 213. When they reached the second floor, the officers saw two individuals -- a female, who was later identified as CC-1, and a male, who was later identified as CC-2 -- who matched the visual description given by Hotel staff of the guests in Room 213, who were previously in Room 135, getting onto an elevator. The officers alerted the other responding YPD officers on the Hotel premises.

g. After Officer-1 and the other officer alerted the other responding YPD officers, YPD officers canvassing the parking lot, surrounding grounds and office park in the vicinity of the Hotel spotted two individuals who matched the visual description of the guests in Room 213 given by Hotel staff. The two individuals, later identified as CC-1 and CC-2, were proceeding on foot walking away from the Hotel in the vicinity of the main road of the surrounding office park when they were spotted and stopped by YPD officers.

h. YPD officers brought a member of the Hotel staff to the location who then identified CC-1 and CC-2 as the guests from Room 213 who were previously in Room 135.

i. YPD officers then, at the direction of the YPD sergeant at the scene ("Sergeant-1"), transported CC-1 and CC-2 back to the Hotel lobby, where they were informed, in sum and substance, that they were being detained pending YPD's ongoing investigation at the Hotel.

j. Another YPD officer ("Officer-2") then searched a laptop bag that CC-2 had in his possession at the time (the "Laptop Bag"). Inside of the Laptop Bag, Officer-2 found, among other things, a laptop and a notepad with a blue cover (the "Blue Notebook") with a page visible that had handwritten notes which appeared to reflect multiple

individuals' personal identifying information -- such as names, dates of birth, and social security numbers. Officer-2 flipped through additional pages of the Blue Notepad that appeared similar in nature.¹

10. Based on my communications with law enforcement officers, my review of YPD reports and records, and my own participation in this investigation, I know that, at the request of YPD, federal agents with the USPIS, including myself, and the U.S. Department of Labor Office of Inspector General ("DOL-OIG"), responded both to the Hotel and to a YPD precinct where CC-1 and CC-2 were taken. I further know that, after subsequent questioning by the agents of CC-1 and CC-2, separately, and upon both having been read their *Miranda* rights and initially agreeing to waive those rights, law enforcement officers released CC-2 and transferred CC-1 into the custody of Immigration and Customs Enforcement ("ICE") after determining that CC-1 was a non-United States citizen and subject to a prior order of removal issued by an Immigration Judge.²

**The NYS DOL Mail and
Related Unemployment Insurance Benefits**

11. Based on my communications with other law enforcement officers, my own participation in this investigation, including my review of the mail recovered from Room 135 of the Hotel, and my review of records and information obtained from the NYS DOL, I know the following regarding the contents of the mail found in Room 135 of the Hotel on or about December 2, 2020:

a. Approximately 747 pieces of NYS DOL mail were recovered from Room 135 that had been addressed to claimants of COVID-19 pandemic-related unemployment insurance

¹ At that point, CC-2 denied that the Blue Notebook was his.

² Based on my communications with other law enforcement officers, my review of court documents, and my own participation in this investigation, I know that CC-1 was then prosecuted in the United States District Court for the Southern District of New York for illegal re-entry into the United States after having been removed from the United States subsequent to a conviction for the commission of an aggravated felony, in violation of Title 8, United States Code, Sections 1326(a) and (b) (2).

("UI") benefits³ and tied to approximately 568 different UI claim accounts administered by the NYS DOL (the "NY UI Claim Accounts").

b. Numerous pieces of mail contained UI benefit debit cards issued to individual UI claimants at the direction of NYS DOL.

c. None of the listed claimants for the 568 NY UI Claim Accounts were identified as CC-1 or CC-2.

d. As of in or about December 2020, the authorized aggregate payout of UI benefits across the approximately 568 NY UI Claim Accounts was approximately \$16.1 million, and the aggregate UI benefits paid out was approximately \$3.2 million.

e. Nearly all of the listed addresses for the 568 NY UI Claim Accounts and related NYS DOL mail pieces recovered from Room 135 of the Hotel are in the Corona, Flushing, and Elmhurst areas of Queens, New York concentrated across a particular group of zip codes and streets.

12. Based on my communications with other law enforcement officers and my own participation in this investigation, I know that a federal search warrant was obtained and executed in connection with certain items belonging to CC-1 and CC-2 that were seized at the time of their Yonkers arrests, including the Blue Notebook as well as a phone of CC-1's and a phone of CC-2's.

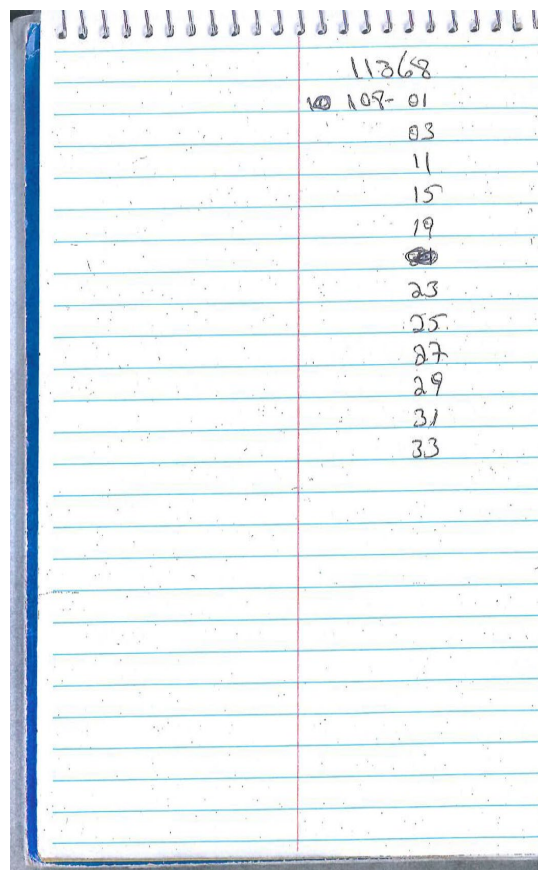
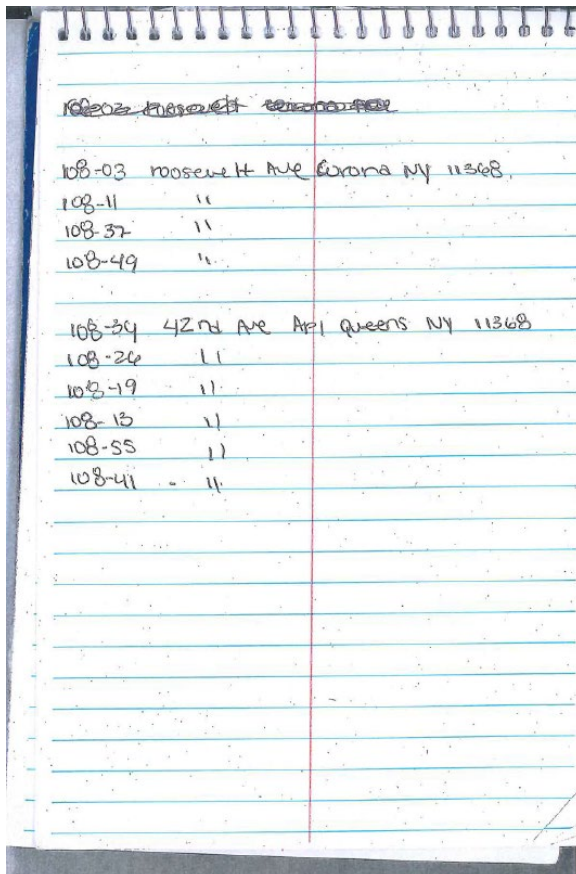
³ Unemployment insurance is a state-federal program that provides monetary benefits to eligible lawful workers. Although state workforce agencies ("SWAs") administer their respective UI programs, they must do so in accordance with federal laws and regulations. UI payments (benefits) are intended to provide temporary financial assistance to lawful workers who are unemployed through no fault of their own. The NYS DOL, like other states, offers an online website ("the Website") through which applicants can, among other things, apply for COVID-19 UI benefits and verify unemployment status, as outlined below. In order to apply for COVID-19 benefits through the Website, an applicant must complete and submit an online application (the "Application") that includes, among other things, the applicant's name, date of birth, social security number, and address.

13. Based on my communications with other law enforcement officers, my own participation in this investigation, and my review and examination of pages in the Blue Notebook recovered from the Laptop Bag, I know the following about the substance of the Blue Notebook:

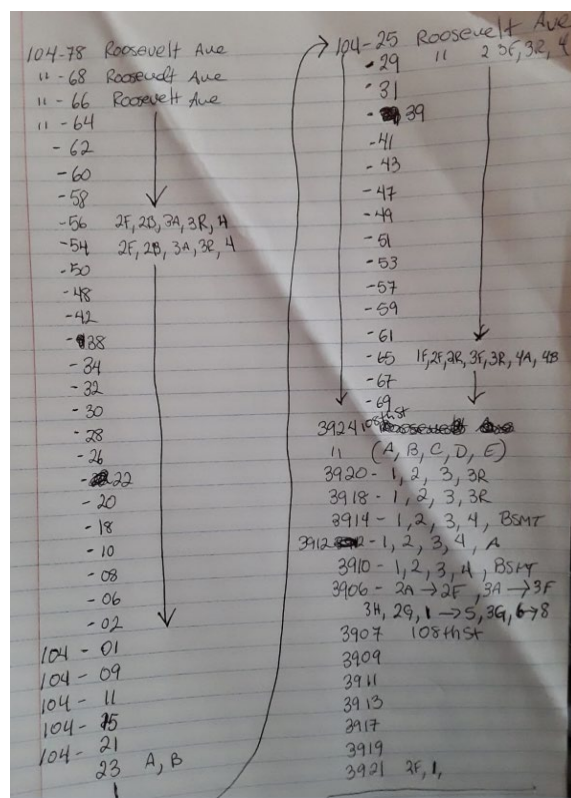
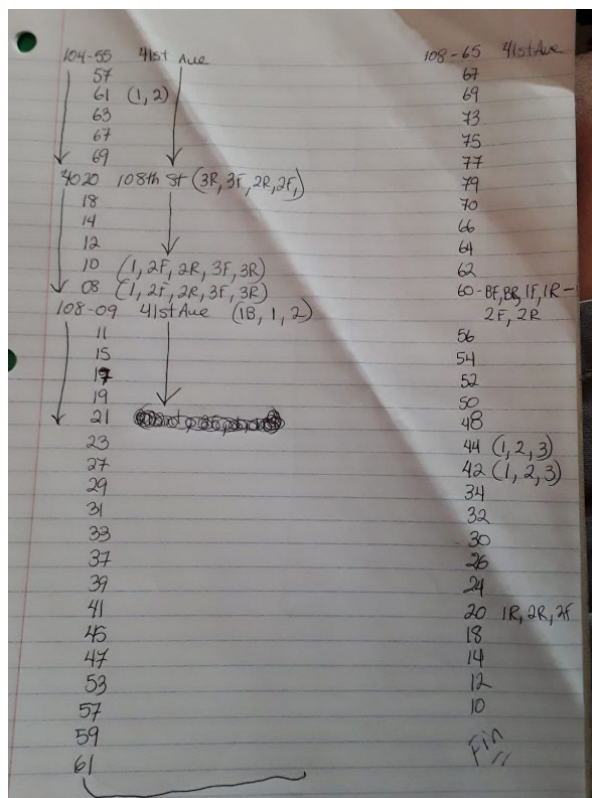
a. The Blue Notebook has approximately 30 pages of handwritten notes reflecting numerous individual names -- none of whom are that of CC-1 or CC-2 -- alongside what appear to be any or all of the following: dates of births, addresses, social security numbers, and 16-digit numbers written in 4-digit segments that appear to be bank card or financial account numbers.

b. Multiple of the pages are labeled at the top with the names of states, such as New York, Pennsylvania, and Arizona, with some having dates written at the top as well, ranging from in or about February 2020 to in or about July 2020.

c. On several pages there are lists of streets and corresponding address numbers in Queens that are the same as numerous of the addresses listed for the 568 NY UI Claim Accounts and related pieces of NYS DOL mail. Examples of two such notebook pages are shown below:



14. Based on my review of the contents of CC-1's phone and CC-2's phone, I know that on or about July 14 and July 27, 2020, CC-1 sent CC-2 images of additional notebook pages, similar to those described above, listing streets and corresponding address numbers in Queens that are the same as numerous of the addresses listed for the 568 NY UI Claim Accounts and related pieces of NYS DOL mail. Images of the pages are shown below:



15. Based on my communications with other law enforcement officers and my own participation in this investigation, I know that, after further investigation by the USPIS, the DOL-OIG, and the Social Security Administration Office of Inspector General ("SSA-OIG"), CC-1 and CC-2 were ultimately federally arrested and later indicted on or about February 23, 2022 on charges of conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 371, theft of government funds, in violation of Title 18, United States Code, Section 641, and aggravated identity theft, in violation of Title 18, United States Code, Sections 1028A(a) (1) and 1028A(b) for their participation in a scheme to fraudulently obtain millions of dollars in COVID-19 UI benefits.

**GRULLON's and PALOMINO, JR.'s Participation in the
Scheme to Steal NYS DOL Mail and Receive Bribes**

16. Based on communications with other law enforcement officers, including of the USPS Office of Inspector General ("USPS-OIG"), and their analysis of the Queens addresses for the approximately 747 pieces of NYS DOL mail recovered from Room 135 of the Hotel and the corresponding Postal routes for the USPS letter carriers who serve those addresses, I have learned the following:

a. Nearly all of the approximately 747 pieces of NYS DOL mail were destined for addresses on just three Postal routes in Queens, as follows:

- Approximately 106 envelopes to route 4 in Corona, New York 11368 ("Route 4");
- Approximately 384 envelopes to route 9 in Corona, New York 11368 ("Route 9"); and
- Approximately 250 envelopes to route 15 in Elmhurst, New York 11373 ("Route 15").

b. From at least in or about September 2020 to in or about March 2022, RAFAEL GRULLON, the defendant, was the regular USPS letter carrier assigned to Route 4.

c. From at least in or about September 2020 to in or about March 2022, OSCAR ABREU, a co-conspirator, was the regular USPS letter carrier assigned to Route 9.

d. From at least in or about September 2020 to in or about March 2022, ALDO PALOMINO, JR., the defendant, was the regular USPS letter carrier assigned to Route 15.

17. Based on my conversations with a USPS postal inspector who has expertise in the flow of mail in and around New York State and the New York City metropolitan area, I have learned that mail originating from Albany, New York and sent to Queens, like the NYS DOL mail recovered here, is processed and forwarded through the Postal Service Processing and Distribution Center on Ninth Avenue in Manhattan, New York (the "Manhattan P&DC") before proceeding to Queens.

18. For example, based on my review of USPS-OIG reports and my conversations with a USPS-OIG special agent, I have learned that USPS-OIG, through its review and analysis of certain of the recovered NYS DOL mail pieces destined for

delivery on Routes 9 and 15 on which Automatic Facer Cancellor System ("AFCS") postmarks are visible⁴, was able to determine expected delivery dates of such mail pieces. I have further learned that, on or about all such expected delivery dates, OSCAR ABREU was the assigned letter carrier for Route 9 working that day, and ALDO PALOMINO, JR., the defendant, was the assigned letter carrier for Route 15 that day.

19. On or about April 5, 2022 and on or about May 25, 2022, I participated in two interviews of OSCAR ABREU, in which ABREU admitted the following, in sum and substance:

a. In the Summer of 2020, ABREU began to regularly put aside mail from his Postal route that was addressed to specific names on lists that CC-1 sent him via messages on WhatsApp once or twice a week.

b. CC-1 would then regularly contact ABREU by phone and meet with him in Queens to collect the mail, count it, and take it away. CC-1 would then, at the next meeting to collect mail, pay ABREU for the previously collected mail.

c. Initially, CC-1 paid ABREU \$200 per envelope collected, but after ABREU told CC-1 that he could not do it anymore, CC-1 increased the payment to \$500 per envelope to induce him to continue.

d. Although ABREU initially denied working with other letter carriers, he admitted that, in or about August 2020, CC-1 requested that ABREU recruit additional letter carriers to get access to more Postal routes. ABREU then approached RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, separately, and both agreed to put aside mail from their Postal routes in exchange for money. CC-1 agreed to pay \$200 per envelope collected by GRULLON and PALOMINO, JR., \$100 of which ABREU would keep.

e. ABREU gave CC-1 approximately 50 to 100 envelopes per week initially, but this number increased to approximately 150 to 200 envelopes per week once GRULLON and PALOMINO, JR. got involved. ABREU estimated that between at least in or about August 2020 and in or about October 2020, he gave CC-1 hundreds of letters that he, PALOMINO, JR. and GRULLON had collected in exchange for monetary payments.

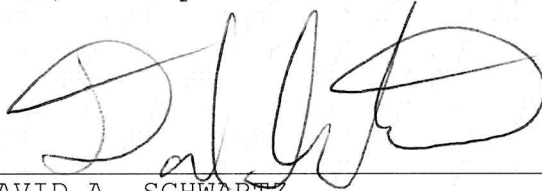
⁴ AFCS postmarks are placed on mail pieces as they are sorted and processed for further distribution in the mail stream.

f. ABREU, and GRULLON and PALOMINO, JR., through ABREU, provided CC-1 with the street address numbers on their respective Postal routes. ABREU identified the images of the handwritten notebook pages with street address numbers, shown above in paragraph 14 and as recovered from CC-1's phone, as having been sent by him to CC-1. ABREU identified the handwriting therein as his own.

g. Although ABREU knows CC-1 as "Beba," he later in the interview identified CC-1 as "Beba" upon being shown a photo array containing CC-1's photograph.

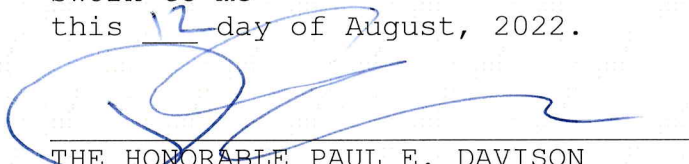
20. Based on the foregoing, I believe there is probable cause to believe that RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, are participants in the above-described scheme to steal mail and receive bribes in exchange for doing so.

WHEREFORE, deponent prays that RAFAEL GRULLON and ALDO PALOMINO, JR., the defendants, be imprisoned or bailed, as the case may be.



DAVID A. SCHWARTZ
Postal Inspector
United States Postal Inspection Service

Sworn to me
this 12 day of August, 2022.



THE HONORABLE PAUL E. DAVISON
United States Magistrate Judge
Southern District of New York