

18 MAG 1147

Approved: *Nicolas Roos*  
NICOLAS ROOS/DANIELLE R. SASSOON  
Assistant United States Attorneys

Before: HONORABLE DEBRA FREEMAN  
United States Magistrate Judge  
Southern District of New York

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UNITED STATES OF AMERICA      : SEALED COMPLAINT
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                                : Violations of
- . v. -                       : 18 U.S.C. §§ 1344
                                : 1349, 1028A, and 2
MICHAEL BONANNO, and          :
DOMENIC AIELLO,               : COUNTY OF OFFENSE:
                                : NEW YORK
                                :
                                : Defendants.
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- - - - - x

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SOUTHERN DISTRICT OF NEW YORK, ss.:

JOHN A. CONSOLI, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI"), and charges as follows:

COUNT ONE  
(Bank Fraud)

1. From at least in or about November 2016, up to and including at least in or about March 2017, in the Southern District of New York and elsewhere, MICHAEL BONANNO and DOMENIC AIELLO, the defendants, willfully and knowingly did execute and attempt to execute a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation ("FDIC"), and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations, and promises, to wit, BONANNO and AIELLO caused, and attempted to cause, the unauthorized transfer of funds from victims' bank accounts to accounts controlled by BONANNO at various financial institutions.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT TWO

(Conspiracy to Commit Bank Fraud)

2. From at least in or about November 2016 up to and including at least in or about March 2017, in the Southern District of New York and elsewhere, MICHAEL BONANNO and DOMENIC AIELLO, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit bank fraud, in violation of Title 18, United States Code, Section 1344.

3. It was a part and object of the conspiracy that MICHAEL BONANNO and DOMENIC AIELLO, the defendants, and others known and unknown, willfully and knowingly would and did execute and attempt to execute a scheme and artifice to defraud financial institutions, the deposits of which were then insured by the FDIC, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institutions, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

(Title 18, United States Code, Section 1349.)

COUNT THREE

(Aggravated Identity Theft)

4. From at least in or about November 2016, up to and including at least in or about March 2017, in the Southern District of New York and elsewhere, MICHAEL BONANNO and DOMENIC AIELLO, the defendants, knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit, BONANNO and AIELLO used bank account numbers of other persons during and in relation to the bank fraud and conspiracy to commit bank fraud violations charged in Counts One and Two of this Complaint.

(Title 18, United States Code, Sections 1028A(a)(1),  
1028A(b), and 2.)

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

5. I am a Special Agent with the FBI. I have worked with law enforcement officers from the New York City Police Department

("NYPD") Internal Affairs Bureau in investigating this matter. I base this affidavit on my personal involvement in this matter, as well as on my conversations with other law enforcement agents and my examination of various reports and records. Because this affidavit is being submitted for the limited purpose of establishing probable cause for the offenses cited above, it does not include all the facts that I have learned during the course of the investigation. Where the contents of conversations of others are reported herein, they are reported in substance and in part.

#### THE DEFENDANTS

6. Based on my review of NYPD personnel records, I have learned that MICHAEL BONANNO, the defendant, is an NYPD detective and member of the NYPD Crime Stoppers unit, which receives and investigates anonymous tips about criminal activity from members of the community. BONANNO joined the NYPD in or around July 2001. From my review of photographs in NYPD personnel records, I am familiar with BONANNO's appearance, and from my review of a recorded call between BONANNO and another NYPD officer, I am familiar with BONANNO's voice.

7. Based on my review of notes from an interview conducted by another law enforcement officer of MICHAEL BONANNO, the defendant, I have learned that BONANNO stated, in substance, that he has known DOMENIC AIELLO, the defendant, for much of BONANNO's life. Based on my review of public records, and from my involvement in this investigation, I have learned that during the time period referred to in this Complaint, AIELLO was unemployed. I have also learned that AIELLO is the son of Ronald Aiello, a/k/a "Ronnie" Aiello, who died in 2009. From an interview I conducted of AIELLO, I am familiar with AIELLO's voice and appearance.

#### OVERVIEW OF THE CONSPIRACY

8. Since in or about November 2016, MICHAEL BONANNO and DOMENIC AIELLO, the defendants, have conspired to steal money from the bank accounts of multiple New York residents. Together, the defendants perpetrated their scheme in two principal ways, involving both (i) unauthorized wire transfers from victims' bank accounts to accounts controlled by BONANNO; and (ii) the cashing of fraudulent checks into an account controlled by BONANNO.

a. First, on over twenty occasions, BONANNO and AIELLO made payments over the telephone on BONANNO's mortgage and credit card bills using stolen account information from various victims. Telephone records confirm that the defendants made these calls,

and communicated with each other immediately before and after requesting these unauthorized transfers of funds. On the calls to banks to facilitate these transfers - some of which were recorded by the banks in the regular course of business - BONANNO and AIELLO lied by providing victims' stolen bank account details and falsely representing that AIELLO was the holder of those accounts. On some such calls, AIELLO identified himself by his father's name, Ronald Aiello, rather than by his real name.

b. Second, on at least fifteen occasions, the defendants conspired with each other to deposit fraudulent checks in BONANNO's bank accounts. These checks were forged and made using stolen identity information and bank account numbers of victims. Bank surveillance recordings show the defendants depositing these checks into BONANNO's accounts. On multiple occasions, BONANNO called his bank to see if these fraudulent checks had cleared.

9. In total, MICHAEL BONANNO and DOMENIC AIELLO, the defendants, attempted approximately \$1,457,642 in fraudulent wire transfers from victims' accounts to BONANNO's accounts, and deposited approximately \$68,900 worth of forged checks into BONANNO's accounts.

#### THE FRAUDULENT TRANSFER SCHEME

10. In connection with this investigation, I have reviewed bank statements, canceled checks, deposit slips, wire transfer records, bank surveillance stills, and telephone records obtained pursuant to subpoena. I have also listened to telephone calls recorded by two financial institutions ("Bank-1" and "Bank-2") related to accounts at those institutions in the name of MICHAEL BONANNO, the defendant. Based on my comparison of the calling telephone numbers, which were documented in connection with the recorded calls, to telephone subscriber information, as well as my familiarity with the defendants' voices, I have been able to determine the identity of the individuals speaking on each of the recorded calls. Based on my review of the aforementioned records, as well as interviews with victims of the defendants' scheme, I have learned the following:

a. At all times relevant to this Complaint, BONANNO maintained checking and savings accounts, a home mortgage account, and a credit card account (the "Bank-1 Credit Card"), all at Bank-1. BONANNO was the joint owner with his wife of the Bank-1 mortgage account, and the sole signer on his remaining Bank-1 accounts. All of the Bank-1 accounts were registered to BONANNO's home

address in Staten Island, New York. BONANNO also maintained a credit card with Bank-2 (the "Bank-2 Credit Card"), and credit cards with two other financial institutions (the "Bank-3 Credit Card" and "Bank-4 Credit Card").

b. From October 2015 to November 2016, BONANNO had a rolling credit card balance on his Bank-1 Credit Card account of approximately \$3,000, and he was generally only making the minimum payments toward the balance. Similarly, the Bank-2 Credit Card account had a rolling credit balance of approximately \$6,500 and BONANNO was generally only making the minimum payment on that card as well. During that same time period, the ending monthly balance on BONANNO's checking account with Bank-1 was typically less than \$1,000.

c. Beginning in or about November 2016, BONANNO's banking patterns changed. Specifically, BONANNO, aided by DOMENIC AIELLO, the defendant, began paying off his balances and engaging in other suspicious activity, described below, by making unauthorized payments into his accounts from victims' accounts.

d. For example, on or about November 14, 2016, BONANNO used his cellphone to call Bank-1 to make a payment on his Bank-1 Credit Card. On the call, BONANNO stated that he wanted to pay the balance on his credit card, which was then approximately \$2,930. BONANNO then passed his phone to AIELLO, who, in BONNANO's presence, lied about his identity, introducing himself using the name of his deceased father, "Ronald Aiello." AIELLO then provided the number for a bank account ("Victim Account-1"), which he said was in his (i.e., his father's) name. A payment was subsequently made from Victim Account-1 into BONANNO's Bank-1 Credit Card account. Based on my review of bank records, I have learned that Victim Account-1 is owned by two individuals, neither of whom has the name "Ronald Aiello." BONANNO, AIELLO, and "Ronald Aiello" are not the owners of or authorized signers on Victim Account-1.

e. The next day, on or about November 15, 2016, BONANNO used his cellphone to call Bank-1 to obtain a cash advance from his newly paid-off Bank-1 Credit Card account. Bank-1 paid a \$2,700 cash advance from BONANNO's credit card into his checking account, and BONANNO immediately withdrew \$400 of that money from an ATM. Later that day, BONANNO called Bank-1 again and asked, in sum and substance, to increase his ATM withdrawal limit so that he could withdraw another \$1,500 to \$2,000 that day. But Bank-1 did not increase the daily withdrawal limit. BONANNO then transferred \$1,000 of the fraudulently obtained cash advance from his Bank-1 checking account to his Bank-1 savings account, and over the next three days made withdrawals ranging from \$400 to \$500 from both

accounts. BONANNO made ATM withdrawals and transfers at ATMs located in Manhattan, New York.

f. On November 15, 2016, BONANNO and AIELLO also used Victim Account-1 to pay down the balances on BONANNO's other credit card accounts by making payments over the phone on BONANNO's Bank-2 Credit Card for approximately \$10,000, on his Bank-3 Credit Card for approximately \$3,075, and on his Bank-4 Credit Card for approximately \$1,964.

g. On or about November 16, 2016, BONANNO used his cellphone to call Bank-1 and asked, in sum and substance, to repay the \$2,700 cash advance, *see supra* ¶ 9(c), that day over the phone. A Bank-1 representative told him, in sum and substance, that the advance had not yet posted to the balance, but would by the next day. On or about November 17, 2016, BONANNO used his cellphone to call Bank-1 to pay the full balance on his Bank-1 Credit Card, which principally reflected the cash advance. On the call, BONANNO stated, in sum and substance, that he wanted to pay the balance on his Bank-1 Credit Card (which was then approximately \$2,895) using Victim Account-1, and that "the person who owns that account [Victim Account-1] is with me right now." BONANNO then passed the phone to AIELLO, who introduced himself as "Ronnie Aiello," provided the account number for Victim Account-1, and asserted that he was an authorized user on that account. After the payment was made, BONANNO returned to the call and received confirmation of the payment.

h. On or about November 18, 2017, the defendants used Victim Account-1 to make a payment on BONANNO's Bank-3 Credit Card for approximately \$1,310. Four days later, the Victim-Account-1 was used to make a payment for approximately \$4,479 to a department store on behalf of "Ronald Aiello." (As noted, Ronald Aiello, who is AIELLO's father, has been deceased since 2009.)

i. BONANNO and AIELLO continued to use stolen bank account numbers to pay BONANNO's credit card balances into February 2017. For example, beginning on or about December 30, 2016, the defendants used a business account owned by a large organization of physicians ("Victim Account-2") to make unauthorized payments on BONANNO's credit card accounts, as well as on a bank account in the name of "Ronald Aiello." Specifically:

i) On or about December 30, 2016, the defendants used Victim Account-2 to make two payments totaling approximately \$1,967 on BONANNO's Bank-4 Credit Card, a \$4,454 electronic payment on BONANNO's Bank-3 Credit Card, and a \$12,811 phone payment on BONANNO's Bank-2 Credit Card.

ii) On January 4, 2017, the BONANNO used Victim Account-2 to make a \$32 payment on BONANNO's Bank-1 Credit Card.

iii) On or about January 30, 2017, the defendants used Victim Account-2 to make an ACH payment of approximately \$2,899 to a credit card account in the name of Ronald Aiello.

iv) On February 9, 2017, a payment to BONANNO's Bank-2 Credit Card was attempted from Victim Account-2.

v) None of these payments from Victim Account-2 were authorized by the holder of the account. Based on interviews with the chief information officer of the organization that controls Victim Account-2, I have learned that this organization uses Victim Account-2 to make payments to physicians, and that BONANNO and AIELLO are not affiliated with the organization or authorized to make payments from that account.

j. As noted above, it appears that BONANNO and AIELLO first began stealing and attempting to steal funds from victims to pay expenses such as BONANNO's credit card balance in or around October 2016. Those payments on BONANNO's credit cards were used to pay down existing balances and for BONANNO to make purchases at stores and restaurants. Beginning on or about November 14, 2016, the defendants began attempting to steal much larger amounts of money from victims to pay off BONANNO's mortgage.

k. For instance, from November 25 to December 12, 2017, the defendants attempted to make nine payments from Victim Account-1 to BONANNO's Bank-1 mortgage account, ranging from \$7,500 to \$110,000. Similarly, on January 4 and 5, 2017, the defendants attempted to transfer \$102,000 and \$328,000, respectively, from Victim Account-2 to BONANNO's Bank-1 mortgage account. Payments of similar amounts were attempted out of at least six other bank accounts for which BONANNO and AIELLO were not account holders. (These payments were subsequently reversed by banks.) Based on my review of telephone records for cellphones subscribed to BONANNO and AIELLO, I have learned that both defendants' cellphones were used to place calls to Bank-1 on days when phone payments were made on BONANNO's Bank-1 mortgage account. Based on my interviews with some of the holders of the accounts that were used to make payments on BONANNO's mortgage, I have learned that the victims of this scheme do not know BONANNO and AIELLO, and did not authorize the transfer of funds to BONANNO's Bank-1 mortgage account.

l. From November 2016 to February 2017, the defendants attempted dozens of fraudulent transfers - including those described above - from additional victims' bank accounts at financial institutions insured by the Federal Deposit Insurance Corporation to BONANNO's mortgage account and credit card accounts. Many of these payments were ultimately frozen and reversed by financial institutions - a fact that both BONANNO and AIELLO were aware of during the time that they persisted to attempt and make such transfers. From my review of recorded telephone calls and bank statements, I know that BONANNO and AIELLO were frequently told by representatives of the banks, in sum and substance, that payments to BONANNO's Bank-1 and Bank-2 Credit Cards had been frozen or reversed, and that such reversals were reflected on BONANNO's account statements, which BONANNO indicated on recorded telephone calls with banks that he reviewed regularly.

m. Throughout this time period (i.e., from November 2016 to March 2017), the defendants were also in extensive communication with one another, placing over one hundred phone calls to each other, often right around the time that fraudulent phone payment requests were made to banks. For example, on November 17, 2016, BONANNO and AIELLO called each other three times, and spoke for a total of approximately twenty-three minutes, before they called Bank-1 together to request a payment from Victim Account-1 to BONANNO's credit card account. After their call that day, the defendants exchanged ten more calls with each other. Similarly, within approximately ten minutes of using the Victim Account-2 to make a payment on BONANNO's mortgage account on December 30, 2016, BONANNO and AIELLO spoke on the telephone for approximately fifteen minutes, and exchanged eight more calls that day.

n. In total, between November 2016 and February 2017, the defendants attempted approximately \$1,457,642 in fraudulent wires and ACH payments from victims' bank accounts to accounts they controlled.

#### THE FRAUDULENT CHECK SCHEME

11. From my involvement in this investigation, I have also learned that MICHAEL BONANNO and DOMENIC AIELLO, the defendants, have, on multiple occasions, cashed worthless checks written out of victims' bank accounts without the victims' authorization. Specifically, based on my review of bank statements and canceled checks, telephone calls recorded by banks, still images from bank surveillance, and toll records obtained pursuant to subpoena, as well as interviews with victims, I have learned the following:



a. From December 2016 to January 2017, BONANNO cashed approximately fifteen checks from victims' bank accounts into BONANNO's Bank-1 checking and savings accounts. These checks, which were made out to "Michael Bonanno" and "Cash," were deposited inside bank branch locations, at ATMs, including ATMs located in Manhattan, New York, and through a mobile banking application.

b. For example, on or about December 7, 2016, bank records and video surveillance stills show that BONANNO deposited a \$3,000 check into his Bank-1 checking account at an ATM located in Manhattan, New York. The check appeared to correspond to a bank account ("Victim Account-3"). During the same ATM transaction, BONANNO also transferred money to his savings account and made cash withdrawals. BONANNO also deposited checks from Victim Account-3 into his Bank-1 checking account on or about December 12, December 14, and December 16, 2016. Each of these three checks was returned unpaid on December 19, 2016. Based on my training and experience as a law enforcement officer, I am aware that multiple checks made out to "cash" and returned unpaid is an indicator of fraud or attempted fraud on a financial institution.

c. Nonetheless, despite the fact that three of these checks from Victim Account-3 were returned unpaid, I know from bank surveillance stills that BONANNO deposited a \$4,600 check into his checking account from another victim's bank account ("Victim Account-4") on January 3, 2017. A day later, BONANNO called Bank-1 and stated, in sum and substance, that he deposited a \$4,600 check and wanted to know the status. A Bank-1 representative told BONANNO, in sum and substance, that the check was returned unpaid.

d. Despite this additional rejected check, BONANNO continued to attempt to cash checks from victims' bank accounts over the ensuing two weeks. On or about January 6, 2017, BONANNO deposited into his Bank-1 checking account checks for \$6,500 and \$3,800 that appeared to correspond to two bank accounts in two different victims' names ("Victim Account-5" and "Victim Account-6," respectively). From bank surveillance stills, I know that BONANNO deposited these checks into his checking account inside a Bank-1 branch located in Manhattan, New York. Both checks were returned unpaid on January 19, 2017. Checks from Victim Account-5 were also deposited in BONANNO's checking account on January 5 and January 9, 2017, and were returned unpaid.

e. Based on my review of the checks that were deposited into BONANNO's accounts, I know that in many instances, while the account numbers on the checks matched the account numbers on the

victim accounts, the checks did not appear to be issued by the banks where the victim accounts were held. Additionally, the checks bore expiration dates indicating that they were valid for only approximately thirty days. Based on my training and experience, I know that there are services — including websites — that allow for the printing of checks that are not issued by a bank. I also know that some credit card companies issue "convenience checks," which are valid for only a limited period of time. These services are legal, but checks issued in these manners are sometimes used to print unauthorized checks using fraudulently procured account numbers.

f. Additionally, from my review of the checks deposited by BONANNO, I know that the memo line of many of the checks stated "rent." From my involvement in this investigation and my interviews with the owners of some of the victim accounts, I know that the account holders did not write these checks to BONANNO, AIELLO, or anyone else. Additionally, I have learned that BONANNO is not these individuals' landlord, and I am not aware of any rental properties that are owned or managed by BONANNO. Based on my training and experience, I believe that "rent" was written on these checks by the defendants in an effort to create the appearance of a relationship between the account holders and BONANNO, and to conceal the fact that the checks were forged.

g. In total, the defendants deposited approximately \$68,900 worth of fraudulent checks into BONANNO's accounts over just a one-month period, which in some cases resulted in losses to the owners of the accounts or the banks where they were maintained.

#### FALSE EXCULPATORY STATEMENTS BY THE DEFENDANTS

12. On separate occasions, MICHAEL BONANNO and DOMENIC AIELLO, the defendants, spoke to law enforcement officers and bank representatives about the fraudulent activity in BONANNO's accounts. Based on my involvement in this investigation and my review of recordings and notes from these interviews, I have learned the following:

a. On or about March 2, 2017, an NYPD detective called BONANNO regarding the transfers from the Victim Account-2 to BONANNO's mortgage account. BONANNO told the detective, in sum and substance, that he was letting a "friend" put money in his accounts, but that he believed the funds were from legitimate sources. BONANNO also stated that he was a member of the NYPD and asked the detective not to tell his supervisor about BONANNO's involvement. In claiming that the transferred funds were from his

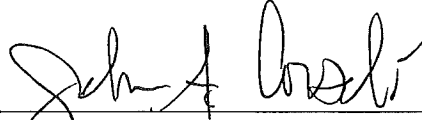
"friend," BONANNO did not mention that he and his "friend" also attempted to transfer funds to pay BONANNO's mortgage and credit card bills. BONANNO also did not explain why his "friend" would be depositing money into BONANNO's mortgage account, from which withdrawals cannot be made.

b. On or about March 8, 2017, *i.e.*, a few days after BONANNO learned that the NYPD was investigating the fraudulent scheme, BONANNO called Bank-4 and stated, in sum and substance, that beginning in October 2016, he made purchases and took cash advances on his Bank-4 Credit Card to help a friend. That friend, according to BONANNO, made payments on the card using sources that BONANNO had since allegedly learned were fraudulent. BONANNO stated, in sum and substance, that he was a police officer and was starting an investigation against this friend.

c. On or about October 26, 2017, AIELLO was arrested for grand larceny in the third degree, petit larceny, and unlawful possession of personal identification information in the third degree in connection with an unrelated investigation by the New York County District Attorney's Office. After his arrest, and having been advised of his *Miranda* rights and waiving them, AIELLO stated, in sum and substance, that he had stolen bank account numbers out of the mail and had used them to make payments into BONANNO's accounts. AIELLO initially stated, in sum and substance, that BONANNO was not involved, but subsequently stated that he and BONANNO were "scamming each other."

13. Based on my participation in this investigation, I believe that the purported exculpatory statements from DOMENIC AIELLO, the defendant, about the involvement of MICHAEL BONANNO, the defendant, are false, and contradicted by, among other things, BONANNO's actions in the two schemes described *supra*.

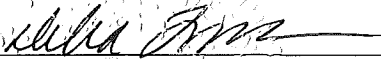
WHEREFORE, deponent respectfully requests that warrants be issued for the arrest of MICHAEL BONANNO and DOMENIC AIELLO, the defendants, and that they be arrested and imprisoned or bailed, as the case may be..



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John A. Consoli  
Special Agent  
Federal Bureau of Investigation

Sworn to before me this  
12th day of February, 2018



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HONORABLE DEBRA FREEMAN  
UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK