

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

2008 DEC 16 P 3:10

U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
EAST DIV. COLUMBUS

UNITED STATES OF AMERICA

vs.

: NO. 2:08-cr-242
JUDGE

RONALD L. ZULLIG
JEAN A. ZULLIG

18 U.S.C. §2
18 U.S.C. §371
18 U.S.C. §1341
18 U.S.C. §1346

INDICTMENT

THE GRAND JURY CHARGES:

CONSPIRACY TO COMMIT MAIL FRAUD

Count One:

1. From on or about early June 2000 through and including January 18, 2004, in the Southern District of Ohio and elsewhere, the Defendants, **RONALD L. ZULLIG, JEAN A. ZULLIG**, and unnamed co-conspirator #1 whose identity is known to the Grand Jury, did unlawfully, willfully and knowingly conspire, combine, confederate and agree with each other and with other individuals to devise a scheme and artifice to obtain money or property and to deprive the Ohio Central Railroad, a company located in the Southern District of Ohio, the intangible right of honest services, by means of false and fraudulent pretenses, representations

and promises, and for the purpose of executing and in order to effect the scheme and artifice to obtain money or property and to deprive the Ohio Central Railroad the intangible right of honest services, did knowingly cause to be sent, delivered, and moved by the United States Postal Service, fraudulent billing invoices and checks in violation of 18 U.S.C. §1341, §1346 and §2.

2. It was part of the conspiracy that **RONALD L. ZULLIG**, an employee of Ohio Central Railroad who was authorized to contract with independent contractors on behalf of Ohio Central Railroad for railroad repairs, upgrades, testing and equipment, would contact unnamed co-conspirator #1, an electrician operating as an independent contractor specializing in troubleshooting and repairs of railroad signals, and, purportedly acting on behalf of Ohio Central Railroad, contract with unnamed co-conspirator #1 to have unnamed co-conspirator #1 perform work for Ohio Central Railroad.

3. It was further part of the conspiracy that unnamed co-conspirator #1 would not perform the work for Ohio Central Railroad, but would, at **RONALD L. ZULLIG**'s direction, create and then send through the mail, billing invoices to the Ohio Central Railroad to give the appearance as though unnamed co-conspirator #1 had performed the work and to conceal payments that unnamed co-conspirator #1 was making to **RONALD L. ZULLIG**.

4. It was further part of the conspiracy that **RONALD L. ZULLIG**, acting in his capacity with Ohio Central Railroad, would approve the billing invoices submitted by unnamed co-conspirator #1 and ensure disbursement of payments from Ohio Central Railroad, through the mail to unnamed co-conspirator #1 for the amount specified on the false billing invoices.

5. It was further part of the conspiracy that once unnamed co-conspirator #1 received the payments from Ohio Central Railroad, unnamed co-conspirator #1 would then either

make a direct payment to **RONALD L. ZULLIG** or at **RONALD L. ZULLIG**'s direction and in order to avoid the appearance of impropriety and to conceal the payments to **RONALD L. ZULLIG**, write a check made payable **RONALD L. ZULLIG**'s wife **JEAN A. ZULLIG**, in which a portion of the fraudulent payments were returned to **RONALD L. ZULLIG**, through the mail, as a kickback. These checks were then deposited into **RONALD L. ZULLIG** and **JEAN A. ZULLIG**'s joint checking account.

6. It was further part of the conspiracy that **RONALD L. ZULLIG**, purportedly acting on behalf of Ohio Central Railroad, would contract with unnamed co-conspirator #1 to have unnamed co-conspirator #1 perform work for Ohio Central Railroad and that unnamed co-conspirator #1 would, on some occasions, actually perform the work for Ohio Central Railroad, but at **RONALD L. ZULLIG**'s direction, create and then send through the mail, billing invoices to the Ohio Central Railroad in which the price on the invoices was inflated to include the amount unnamed co-conspirator #1 would pay to **RONALD L. ZULLIG** as a kickback.

7. It was further part of the conspiracy that **RONALD L. ZULLIG**, acting in his capacity with Ohio Central Railroad, in order to give the appearance as though unnamed co-conspirator #1 had performed the work and to conceal payments that unnamed co-conspirator #1 was making to **RONALD L. ZULLIG**, would approve the billing invoices submitted by unnamed co-conspirator #1 and ensure disbursement of payments from the Ohio Central Railroad to unnamed co-conspirator #1, through the mail, for the amount specified on the false billing invoices.

8. It was further part of the conspiracy that once unnamed co-conspirator #1 received the payments from Ohio Central Railroad, unnamed co-conspirator #1 would then

either make a direct payment to **RONALD L. ZULLIG** or at **RONALD L. ZULLIG**'s direction and in order to avoid the appearance of impropriety and to conceal the payments to **RONALD L. ZULLIG**, write a check made payable **RONALD L. ZULLIG**'s wife **JEAN A. ZULLIG**, in which a portion of the fraudulent payments were returned to **RONALD L. ZULLIG**, through the mail, as a kickback. These checks were then deposited into **RONALD L. ZULLIG** and **JEAN A. ZULLIG**'s joint checking account.

9. It was further part of the conspiracy that **RONALD L. ZULLIG**, purportedly acting on behalf of Ohio Central Railroad, would contract with unnamed co-conspirator #1 to have unnamed co-conspirator #1 perform work for Ohio Central Railroad and that unnamed co-conspirator #1 would, on some occasions, actually perform the work for Ohio Central Railroad, and at **RONALD L. ZULLIG**'s direction, create and then send through the mail, billing invoices to the Ohio Central Railroad for costs of that work.

10. It was further part of the conspiracy that **RONALD L. ZULLIG**, acting in his capacity with Ohio Central Railroad, would approve the billing invoices submitted by unnamed co-conspirator #1 and ensure disbursement of payments from the Ohio Central Railroad to unnamed co-conspirator #1 for the amount specified on those billing invoices.

11. It was further part of the conspiracy that once unnamed co-conspirator #1 received the payments from Ohio Central Railroad, unnamed co-conspirator #1 would then either make a direct payment to **RONALD L. ZULLIG** or at **RONALD L. ZULLIG**'s direction and in order to avoid the appearance of impropriety, write a check made payable **RONALD L. ZULLIG**'s wife **JEAN A. ZULLIG**, in which a portion of the payments were returned to **RONALD L. ZULLIG**, through the mail, as a kickback.

Overt Acts

12. In furtherance of the conspiracy listed in **Count One**, and to accomplish the objects thereof, one or more of the following overt acts were committed in the Southern District of Ohio and elsewhere:

a. On or about June 1, 2000, at **RONALD L. ZULLIG's** direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$2,550.00 for performing safety inspections and crossing checks on railroad lines in Warren, Youngstown, and Austintown OH. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1,000.00.

b. On or about December 8, 2000, at **RONALD L. ZULLIG's** direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$2,500.00 for the restoration and servicing of a surge protection and high frequency equipment at a railroad crossing in Warren, OH. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1,000.00.

c. On or about January 5, 2001, at **RONALD L. ZULLIG's** direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$4,375.00 for the testing and servicing of a surge arrestor and motion detector at a railroad crossing in Zanesville, OH. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1,500.00.

d. On or about February 17, 2001, at **RONALD L. ZULLIG's** direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$1,525.00 for restoring and re-activating a railroad crossing in Warren, OH. Unnamed co-conspirator #1

inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$500.00.

e. On or about April 10, 2001, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$2,750.00 for supplying equipment for an upgrade to a railroad crossing in Barrs Mills, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1,000.00.

f. On or about June 22, 2001, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$2,750.00 for providing equipment and engineering information for the upgrade of a railroad crossing in Beech City, OH. Unnamed co-conspirator #1 did not supply a portion of the equipment listed on the invoice and inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1,000.00.

g. On or about August 27, 2001, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$4,875.00 for performing testing on the cables and wires at thirteen railroad crossings located in Ohio. Upon receipt of the payment from Ohio Central Railroad and at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 caused a check to be sent through the mail to **JEAN A. ZULLIG** for \$1300.00 as a kickback to **RONALD L. ZULLIG**.

h. On or about August 30, 2001, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$2,475.00 for providing emergency backup modules, devices and lightning protection for the Youngstown Belt Railroad in Ohio. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad and at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 caused a check to be sent through the mail to **JEAN A. ZULLIG** for \$475.00 as a kickback to **RONALD L. ZULLIG**.

i. On or about October 31, 2001, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$6,300 for repairing a flasher assembly at a railroad crossing in Warren, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$3,000.00.

j. On or about November 17, 2001, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$1900.00 for rehabilitating and repairing a defective flasher cable at a railroad crossing near Steubenville, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$700.00.

k. On or about February 5, 2002, at **RONALD L. ZULLIG**'s direction, unnamed

co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$500.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

l. On or about April 4, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

m. On or about April 24, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

n. On or about May 2, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$1,900.00 for the installation of replacement cables and wires at a railroad crossing in Canonsburg, PA. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1,000.00.

o. On or about May 17, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$3,000.00 for restoring a deactivated railroad crossing in Warren, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1

paid **RONALD L. ZULLIG** a kickback of approximately \$1,100.00.

p. On or about August 20, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$7,250.00 for reconfiguring and re-engineering a damaged signal case and upgrading the corresponding lightning protection circuits at a railroad crossing in Arden, PA. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$3,000.00.

q. On or about September 30, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

r. On or about October 29, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

s. On or about December 3, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

t. On or about December 12, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for

\$825.00 for providing shunts to Ohio Central Railroad, work which unnamed co-conspirator #1 never performed. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$825.00.

u. On or about December 15, 2002, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$1,540.00 for repairing, replacing, and testing a flasher at a railroad crossing in Warren, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, on or about January 20, 2003, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$500.00.

v. On or about January 27, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$1,000.00 as a kickback to **RONALD L. ZULLIG**, for previous work and railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

w. On or about January 30, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$700.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

x. On or about March 5, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

y. On or about March 5, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

z. On or about March 10, 2003, at **RONALD L. ZULLIG**'s direction, #1 unnamed co-conspirator sent through the mail to Ohio Central Railroad, a billing invoice for \$1,575.00 for assisting repair of a crossing in Warren, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad and at **RONALD L. ZULLIG**'S direction, on or about May 10, 2003, unnamed co-conspirator #1 caused to be sent through the mail to **JEAN A. ZULLIG**, a check for \$1,000.00 as a kickback to **RONALD L. ZULLIG**.

aa. On or about April 2, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

bb. On or about April 2, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$600.00 as a kickback to **RONALD L. ZULLIG**, for railroad crossing inspections that unnamed co-conspirator #1 performed for Ohio Central Railroad.

cc. On or about April 6, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$2,850.00 for providing parts and servicing a radio switch at a railroad crossing in Coshocton, OH. Upon

receipt of the payment from Ohio Central Railroad and at **RONALD L. ZULLIG'S** direction, on or about May 23, 2003, unnamed co-conspirator #1 caused to be sent through the mail to **JEAN A. ZULLIG**, a check for \$1,100.00 as a kickback to **RONALD L. ZULLIG**.

dd. On or about June 13, 2003, at **RONALD L. ZULLIG'S** direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$10,425.00 for providing equipment and upgrading a railroad crossing in Hanover, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, on or about September 11, 2003, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$4000.00.

ee. On or about July 12, 2003, at **RONALD L. ZULLIG'S** direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$2,800.00 for providing parts and servicing a railroad crossing in Zanesville, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, on or about September 11, 2003, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1000.00.

ff. On or about August 16, 2003, at **RONALD L. ZULLIG'S** direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$850.00 for the repair and replacement of two shunts to the Ohio Central Railroad, work which unnamed co-conspirator #1 never performed. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$850.00.

gg. On or about August 21, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$627.50 for servicing and repairing a front-end assembly for Ohio Central Railroad. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$250.00.

hh. On or about October 8, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$2,820.00 for servicing and repairing railroad crossing in Warren, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, on or about November 6, 2003, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1,500.00.

ii. On or about October 9, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for \$7,900.00 for providing equipment and installing and repairing a hot box detector at a railroad crossing in Coshocton, OH. Unnamed co-conspirator #1 inflated the amount on the invoice to account for an agreed payment to be made to **RONALD L. ZULLIG**. Upon receipt of the payment from Ohio Central Railroad, on or about November 28, 2003, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$3,000.00.

jj. On or about December 23, 2003, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to Ohio Central Railroad, a billing invoice for

\$1,575.00 for the repair and replacement of three shunts to the Ohio Central Railroad, work which unnamed co-conspirator #1 never performed. Upon receipt of the payment from Ohio Central Railroad, on or about January 13, 2004, unnamed co-conspirator #1 paid **RONALD L. ZULLIG** a kickback of approximately \$1,000.00.

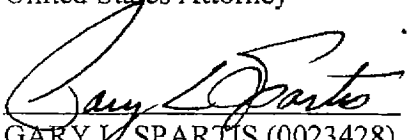
kk. On or about January 18, 2004, at **RONALD L. ZULLIG**'s direction, unnamed co-conspirator #1 sent through the mail to **JEAN A. ZULLIG**, a check for \$200.00 as a kickback to **RONALD L. ZULLIG**, for previous work that unnamed co-conspirator #1 performed for Ohio Central Railroad.

All in violation of 18 U.S.C. §371.

A TRUE BILL.

s/foreperson
FOREPERSON

GREGORY G. LOCKHART
United States Attorney


GARY L. SPARTIS (0023428)
Deputy Criminal Chief