



*United States Attorney
Southern District of New York*

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**MANHATTAN U.S. ATTORNEY CHARGES PRESIDENT OF
MONEY SERVICES COMPANY WITH \$12 MILLION
BANK FRAUD**

PREET BHARARA, the United States Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced the arrest of ROBERT EGAN, the President of Mt. Vernon Money Centers ("MVMC"), on charges of defrauding Webster Bank out of \$12 million in funds that had been entrusted to MVMC.

According to the Complaint filed today in Manhattan federal court:

Among other money services, MVMC performed the services of replenishing Automated Teller Machines ("ATMs") for banks and other entities. One of MVMC's clients was Webster Bank, which has 162 ATMs that MVMC was responsible for stocking. Webster Bank would transfer the funds needed to replenish their ATMs to a bank account to which MVMC had access. MVMC collected this cash, took it to its own cash vault where it filled ATM "canisters" with the cash. MVMC employees then removed the depleted or partially-depleted canisters from Webster ATMs and replaced them with newly filled canisters. The canisters removed from the ATMs by MVMC employees typically contained "residual cash" that was supposed to be returned to Webster Bank, or retained by MVMC for the benefit of Webster.

In January 2010, on eight separate occasions under EGAN's direction, MVMC falsely represented to Webster Bank that it had returned the cash it had collected from Webster's ATMs or

was retaining the cash in its own vault for the benefit of Webster Bank. In fact, EGAN failed to return over \$12 million of Webster Bank's money to Webster Bank, and instead misappropriated the money for use in MVMC's business operations.

On January 29, 2010, EGAN admitted in a recorded conversation that he had taken over \$12 million of Webster Bank's money without its knowledge or authorization. EGAN stated that he used the money to fund other aspects of MVMC's business, and to fund "shortfalls" with respect to other MVMC clients.

EGAN, 64, currently resides in Bedford Corners, New York. He is charged with one count of conspiracy to commit bank fraud, which carries a maximum prison term of 30 years and a maximum fine of \$1,000,000 or twice the gain or loss resulting from the crime.

U.S. Attorney PREET BHARARA said, "Banks holding the hard-earned deposits of working people entrusted tens of millions of dollars to MVMC and Robert Egan, its president. Egan allegedly abused that trust by using other people's money to prop up his own company. This Office remains committed to uncovering and prosecuting large-scale frauds, and we will continue to work with our partners at the FBI to aggressively investigate and punish similar conduct."

Mr. BHARARA praised the investigative work of the FBI. Mr. BHARARA said that the investigation is continuing.

This matter is being handled by the Office's Complex Frauds Unit. Assistant United States Attorneys ANTONIA M. APPS is in charge of the prosecution.

The charge and allegations contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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