



Department of Justice

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FOR IMMEDIATE RELEASE
THURSDAY, APRIL 22, 2010
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FORMER COSHOCTON-AREA MAN SENTENCED TO 24 MONTHS IMPRISONMENT FOR DEFRAUDING RAILROAD THROUGH KICKBACK SCHEME

COLUMBUS –Ronald L. Zullig, 55, was sentenced in United States District Court here today to 24 months imprisonment followed by three years of supervised release and ordered to pay \$185,000 in restitution to the Ohio Central Railroad for a kickback scheme in which he promised companies contracts with the railroad if they did personal work for him.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, and Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation (FBI), Cincinnati Division, announced the sentence handed down today by United States District Judge Gregory L. Frost.

Zullig pleaded guilty on July 1, 2009 to one count of conspiracy to commit mail fraud, two counts of mail fraud and one count of interstate transportation and sale of stolen property which occurred between June 2000 and July 2006. Zullig's wife, Jean A. Zullig, 53, also pleaded guilty on July 1, 2009 to one count of conspiracy. Judge Frost sentenced Jean Zullig on December 17, 2009 to three years probation and ordered her to pay \$53,000 in restitution.

The Zulligs, who currently live in Bolivar, Missouri, lived in the Coshocton area at the time the crimes were committed. Ronald Zullig was a repair manager for the railroad and was authorized to select independent contractors for railroad repairs, upgrades, testing and equipment.

According to court documents, Ronald Zullig used his position at the railroad to have an independent contractor submit invoices that were either completely fraudulent or contained inflated charges for work he had authorized the contractor to perform on behalf of the railroad. Ronald Zullig authorized the contractor to perform the work in exchange for the contractor paying him a kickback. Zullig told the contractor how to bill the railroad for the work by mailing them the fraudulent invoices. In an effort to conceal the scheme, Ronald Zullig told the contractor to mail the couple a check made payable to his wife, Jean Zullig. During the four-year period, she deposited approximately 45 checks totaling approximately \$53,000 into the couple's joint bank account.

Zullig also admitted to schemes in which he caused the railroad to pay for personal work he had had performed on his family farm, setting up a scheme to fraudulently bill the railroad through an Arizona company for services never provided, and shipping and selling parts and equipment belonging to the railroad to buyers in New York and Texas.

Stewart commended the cooperative investigation by Ohio Central Railroad and the FBI, as well as Assistant U.S. Attorneys Michael Marous and Michael Hunter, who prosecuted the case.

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