

FILED
4/13/2021

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THOMAS G. BRITTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

RONALD LEE CRIBBS

No. **1:21-CR-00233**

Violation: Title 18, United States
Code, Section 1343

Under Seal

COUNT ONE

JUDGE COLEMAN
MAGISTRATE JUDGE MCSHAIN

The SPECIAL NOVEMBER 2019 GRAND JURY charges:

1. At times material to this indictment:

Individuals and Entities Involved

a. The U.S. Railroad Retirement Board (“RRB”) was an independent agency of the Executive Branch of the United States headquartered in Chicago. The RRB’s primary function was to administer comprehensive retirement, disability, survivor, and unemployment/sickness benefit programs for the nation’s railroad workers and their eligible family members under the Railroad Retirement Act (“RRA”), Title 45 United States Code, Sections 231, *et. seq.*, and Railroad Unemployment Insurance Acts (“RUIA”), Title 45 United States Code, Chapter 11. The RRA replaced the Social Security Act for rail employers and employees.

b. The RRB administered disability benefits to railroad employees who had an occupational disability and were permanently disabled for work in their regular railroad occupation and to railroad employees who were totally and permanently disabled and unable to work in any kind of regular job.

c. In order for a railroad employee to apply for disability benefits, he or she had to complete, among other things, RRB Form AA-1d (Application for Determination of Employee's Disability), RRB Form AA-1 (Application for Employee Annuity), and RRB Form G-251 (Vocational Report). Both the RRB Forms AA-1d and AA-1 required the applicant to complete certifications.

d. On RRB Form AA-1d, applicants had to describe in detail the limitations resulting from their impairment and state when they could no longer work because of their conditions. The signature page of the RRB Form AA-1d reminded an applicant that he or she had to answer these questions truthfully and provided:

I agree to immediately notify the RRB if I work for any employer, railroad or non-railroad, or perform any self-employment work; if my condition improves

I know that if I make a false or fraudulent statement in order to receive benefits from the RRB or if I fail to disclose earnings or report employment of any kind to the RRB, I am committing a crime, which is punishable under Federal law.

e. RRB Forms AA-1d and AA-1 also included certifications that the applicant had received the RRB Booklet Forms RB-1d (Employee Disability Benefits) and RB-9 (Employee and Spouse Annuities, Events That Must Be Reported), which contained, among other things, requirements to notify the RRB if the applicant's condition improved or if the applicant performed any work, including through self-employment, regardless of how much the applicant earned. In pertinent part, the Booklet provided:

"Occupational disability" means one is "permanently disabled" for work in your "regular railroad occupation."

“Total and permanent disability” means one is “unable to work in any kind of regular job” and “permanently disabled” for any kinds of “regular work.”

“Substantial gainful activity” is, in general, work which results in earnings . . . it also refers to work activity involving the performance of significant physical or mental duties, or a combination of both, which are productive in nature. If you work or are receiving an annuity based on total and permanent disability, or if you have a period of disability or early Medicare, you may be subject to a finding of substantial gainful activity.

“Regular work” is the performance of the full range of material and substantial duties of any regular and gainful employment with any employer. Substantial duties are those that involve significant mental or physical activity even if they are only done part time. Gainful employment is work that is done for pay or profit, or is the kind that is usually done for pay or profit even if no profit is realized.

“Substantial gainful work” is any work generally done for pay or profit that involves performing significant physical or mental duties. Work may be considered substantial even if it is done part time. In evaluating work, consideration is given to job duties, skill, and experience required to do the job, in addition to pay. Although current work may pay less or may be different from previous work, a person may not necessarily be considered disabled.

In any case, all work and earnings by a disability annuitant must be reported promptly to the RRB in order to avoid potential overpayments and penalties. (emphasis in original).

“Disability ends if” you medically recover so that you are able to work, or if you return to work and hold a job whether or not there has been any substantial improvement in your condition.”

If in doubt, report.

f. The RRB’s Disability Benefits Division (the “DBD”), located in Chicago, Illinois, reviewed applications for occupational disability and total and permanent disability, which were submitted by railroad employees. Once an

application was approved, the RRB in Chicago caused benefits payments to be issued by the United States Treasury to a bank account as designated by the applicant.

g. From in or around 1995 until in or around December 6, 2014, defendant RONALD LEE CRIBBS worked for a railroad company, Chessie Seaboard Consolidated.

h. On or about January 12, 2016, CRIBBS submitted an application for disability benefits. CRIBBS signed the certifications accompanying RRB Forms AA-1d and AA-1. The DBD granted CRIBBS's application in or around April 2017, and began causing occupational disability payments to be wired to CRIBBS.

i. Every year, beginning in or around November 2017, the RRB in Chicago sent CRIBBS an RL-4 (Yearly Reminder Letter), which explained his responsibility to report work earnings and events that might affect his right to disability payments and listed events that had to be reported immediately to the RRB, including impairment improvement, return to work, performing work, whether for pay or not, including through self-employment, or receipt of anything of value in lieu or salary or wages for any work.

j. On or about August 14, 2012, CRIBBS filed or caused to be filed Articles of Incorporation for Southern Industrial Service Group, Inc. ("SISG") in Florida. The Articles of Incorporation for SISG represented that CRIBBS was the registered agent and that CRIBBS and two other individuals were officers and/or directors.

k. On or about September 24, 2015, CRIBBS filed or caused to be filed Articles of Organization for TMC Site Development Corp. (“TMC”) in Florida that represented that Individual A was the registered agent and officer/director of TMC. TMC maintained a bank account at Ameris Bank. CRIBBS and Individual A were authorized signatories on this account.

l. Mobile Training Consultants (“MTC”) was a company owned and operated by Individual B. MTC maintained a bank account at Ameris Bank. Individual B and CRIBBS were authorized signatories on this account.

m. On or about July 12, 2019, CRIBBS caused to be filed articles of incorporation for a company named Mobile Training Consultants of St. Johns, Inc. (“MTC of St. Johns”) in Florida, that listed CRIBBS and Individual C as Officers/Directors. MTC of St. Johns maintained a bank account at Vystar Bank. Defendant CRIBBS and Individual C were authorized signatories on this account.

n. Greenpoint, Inc. (“Greenpoint”) was a landscaping and lawn maintenance company that maintained irrigation systems and completed construction pavers and hardscapes. CRIBBS performed work for Greenpoint and was an employee from on or about February 6, 2019 through on or about June 17, 2019.

o. Between in or around 2014 and in or around October 2020, CRIBBS performed work relating to construction projects in connection with the business of SISG, TMC, MTC, MTC of St. Johns, and Greenpoint. CRIBBS’s work

with these companies involved construction work, grading projects, employee supervision, and the operation of heavy machinery.

p. As payment for the work CRIBBS performed for SISG, TMC, MTC, and MTC of St. Johns, customers made payments to the companies, including in the form of checks made payable to the companies, which were deposited into the company bank accounts. CRIBBS wrote checks from these company bank accounts and made cash withdrawals from these company bank accounts. As compensation for the work CRIBBS performed for Greenpoint, Greenpoint made payments to CRIBBS, including in the form of checks. Between in or around April 2017 and in or around December 2019, CRIBBS and CRIBBS' companies (TMC, MTC, and MTC of St. John's) received in excess of \$500,000 in revenue related to construction projects. CRIBBS used that revenue to pay for, among other things, business expenses, insurance, vehicle, and rent payments.

The Scheme to Defraud

2. Beginning no later than on or about September 24, 2015, and continuing through in or around October 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

RONALD LEE CRIBBS,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud the RRB and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, as further described below.

3. It was part of the scheme that, in order to receive disability benefits payments to which he was not entitled, CRIBBS made multiple false representations to the RRB and concealed material facts from the RRB concerning his construction work for various companies and his receipt of money derived from that work.

4. It was further part of the scheme that, on or about January 10, 2016, CRIBBS submitted a RRB Form G-251 (Vocational Report) in which he falsely represented that he ceased being a business owner of SISG in December 2014 (the month CRIBBS claimed to have been injured while working at Chessie Seaboard Consolidated), knowing that he continued to have an ownership interest in SISG until in or around January 2016.

5. It was further part of the scheme that, between on or about January 12, 2016 and in or around October 2020, in order to continue to receive disability benefits payments to which he was not entitled, CRIBBS concealed and did not notify RRB that he performed work relating to construction projects in connection with the business of TMC, MTC, MTC of St. Johns, Greenpoint, and other companies, knowing that he was required to do so.

6. It was further part of the scheme that, between on or about November 2017 and on or about November 12, 2019, while he was collecting RRB benefits, CRIBBS did not to respond to the RRB's Forms RL-4 (Disability Reminder Notice) and did not notify the RRB that he had performed and was performing construction work for TMC, MTC, MTC of St. Johns, Greenpoint, and other companies, as he was required to do.

7. It was further part of the scheme that, in order to conceal his connection to TMC from the RRB, and to enable him to apply for and receive disability annuity payments, CRIBBS caused TMC to be incorporated with Individual A as the registered agent and officer/director of TMC.

8. It was further part of the scheme that, in order to conceal his construction work and the payments he received for that work from the RRB, and to enable him to continue to receive disability annuity payments, CRIBBS used a bank account associated with MTC and Individual B to receive payment in connection with services performed by CRIBBS.

9. It was further part of the scheme that, on or about February 24, 2020, CRIBBS falsely represented to a federal agent that, since he began receiving disability benefits from the RRB in or around April 2017, he had not worked, knowing that he was required to disclose that he had worked for TMC, MTC, MTC of St. Johns, Greenpoint, and any other company.

10. It was further part of the scheme that, between in or around April 2017 and in or around October 2020, CRIBBS caused the RRB to authorize the payment of disability benefits totaling approximately \$145,000 to which he was not entitled.

11. It was further part of the scheme that CRIBBS concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence of the scheme, the purposes of the scheme, and the acts done in furtherance of the scheme.

12. On or about December 1, 2017, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

RONALD LEE CRIBBS,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the United States Treasury in Kansas City, Missouri to Vystar Credit Union in Jacksonville, Florida, certain writings, signs, and signals, namely, a wire transfer of disability benefits in the amount of \$2,614.04;

In violation of Title 18, United States Code, 1343.

COUNT TWO

The SPECIAL NOVEMBER 2019 GRAND JURY further charges:

1. Paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about December 3, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

RONALD LEE CRIBBS,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the United States Treasury in Kansas City, Missouri to Vystar Credit Union in Jacksonville, Florida, certain writings, signs, and signals, namely, a wire transfer of disability benefits in the amount of \$2,682.36;

In violation of Title 18, United States Code, 1343.

COUNT THREE

The SPECIAL NOVEMBER 2019 GRAND JURY further charges:

1. Paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about December 2, 2019, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

RONALD LEE CRIBBS,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the United States Treasury in Kansas City, Missouri to Ameris Bank in Atlanta, Georgia, certain writings, signs, and signals, namely, a wire transfer of disability benefits in the amount of \$2,744.95;

In violation of Title 18, United States Code, 1343.

COUNT FOUR

The SPECIAL NOVEMBER 2019 GRAND JURY further charges:

1. Paragraphs 1 through 11 of Count One of this indictment are incorporated here.
2. On or about May 1, 2020, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

RONALD LEE CRIBBS,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted in interstate commerce by means of a wire communication from the United States Treasury in Kansas City, Missouri to Ameris Bank in Atlanta, Georgia, certain writings, signs, and signals, namely, a wire transfer of disability benefits in the amount of \$2,780.08;

In violation of Title 18, United States Code, 1343.

FORFEITURE ALLEGATION

The SPECIAL NOVEMBER 2019 GRAND JURY alleges:

1. The allegations contained in Counts One through Four of this indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of his violations of Title 18, United States Code, Section 1343 as set forth in the foregoing indictment,

RONALD LEE CRIBBS,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interests of the defendant subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) include, but are not limited to, approximately \$145,000.

4. If any of the property described above, as a result of any act or omission by defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture or substitute property, as

provided in Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

Signed by Amarjeet Bhachu
on behalf of the
UNITED STATES ATTORNEY