



Department of Justice

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COUPLE INDICTED ON MAIL FRAUD, CONSPIRACY CHARGES FOR KICKBACK SCHEME AGAINST RAILROAD

COLUMBUS – A federal grand jury here indicted Ronald L. Zullig, age 54, and his wife, Jean A. Zullig, age 52, charging them with conspiracy and fraud arising from their roles in a kickback scheme stemming from Ronald Zullig's employment with the Ohio Central Railroad from October, 2000 through July 2006. If convicted, both face up to five years in prison and fines of \$250,000 for the mail fraud conspiracy 20 years and a fine of \$500,000 for the money laundering conspiracy.

Gregory G. Lockhart, 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 indictment returned late yesterday.

The Zulligs now live in Bolivar, Missouri, but when he was employed with Ohio Central, they lived in the Coshocton area. Zullig was a repair manager who was authorized to select independent contractors for railroad repairs, upgrades, testing and equipment.

The indictment alleges that the Zulligs conspired with at least one other individual to have independent contractors pay Ronald L. Zullig kickbacks in exchange for receiving contracts to do railroad repair and inspection work. The indictment also alleges that the pair directed at least one contractor to bill the railroad for work done on the couple's farm.

The indictment accuses the Zulligs of attempting to hide the proceeds from the kickbacks by having the independent contractor provide cash payments to Ronald L. Zullig or provide the kickback payments via checks written out to Jean A. Zullig.

The indictment also charges Ronald L. Zullig with mail fraud, interstate transportation of stolen goods, interstate sale of stolen goods, and false statements or representations stemming from various schemes in which Ronald L. Zullig used his position at Ohio Central Railroad to generate false billing invoices, transported across state lines and attempted to sell Ohio Central Railroad property for personal gain, and made false statements to federal investigators.

If convicted, Ronald L. Zullig faces sentences of up to 20 years in prison and fines up to \$250,000 on each mail fraud count. The interstate property charges against Ronald L. Zullig are punishable by up to ten years imprisonment. Making false statements is punishable by up to five years imprisonment.

The indictment also seeks forfeiture of \$185,000 which represents proceeds of the crimes alleged in the indictment.

FBI agents arrested the Zulligs at the Minneapolis airport on December 19. They were released on recognizance bond and will have an initial appearance before a U.S. Magistrate Judge in Columbus on January 9.

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

An indictment is merely an accusation. The defendants should be presumed innocent until and unless the government proves their guilt beyond a reasonable doubt.