

Approved: Antonina M. APDS
ANTONIA M. APDS
Assistant United States Attorney

Before: THE HONORABLE MICHAEL H. DOLINGER
United States Magistrate Judge
Southern District of New York

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UNITED STATES OF AMERICA	:	<u>SEALED COMPLAINT</u>
- v. -	:	Violation of
	:	18 U.S.C. § 1349
ROBERT EGAN,	:	
	:	COUNTY OF OFFENSE:
Defendant.	:	NEW YORK, NEW YORK

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SOUTHERN DISTRICT OF NEW YORK, ss.:

JAMES H. HILLIARD, JR., being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI") and charges as follows:

COUNT ONE

1. In or about January 2010, in the Southern District of New York and elsewhere, ROBERT EGAN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, to violate Section 1344 of Title 18, United States Code.

2. It was a part and an object of the conspiracy that ROBERT EGAN, the defendant, and others known and unknown, unlawfully, willfully, and knowingly would and did execute a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, to wit, Webster Bank, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

Overt Acts

3. In furtherance of the conspiracy and to effect the illegal object thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about January 8, 2010, ROBERT EGAN, the defendant, caused his company, Mt. Vernon Money Center, falsely to represent that it had deposited \$866,560 in a bank account for the benefit of Webster Bank, when in truth and in fact, that money had been misappropriated by Mt. Vernon Money Center for its own purposes at EGAN's direction.

(Title 18, United States Code, Section 1349.)

The bases for my knowledge of the foregoing charge are, in part, as follows:

4. I am a Special Agent with the FBI, and am currently assigned to a squad that investigates bank fraud and wire fraud, among other white collar crimes. The information contained in this affidavit is based upon my personal knowledge and my review of documents and records gathered during the course of this investigation, as well as information obtained, directly or indirectly, from other sources and agents, including information provided to me by witnesses who participated in conversations with ROBERT EGAN, the defendant. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all of the facts that I have learned during the course of the investigation. Where the contents of documents and the actions, statements and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

Relevant Entities and Individuals

5. Based on my review of documents and other information, including a website for Mt. Vernon Money Center ("MVMC"), I have learned the following:

a. ROBERT EGAN, the defendant, is the President of MVMC, which has an office located at 403 East 3rd Street, Mount Vernon, NY 10553. Through various operating entities, MVMC is engaged in various cash management businesses, including operating a cash vault and replenishing cash in Automated Teller Machines ("ATMs") owned by third parties, including banks.

The Scheme to Defraud

6. The following information is based on my review of documents provided by Webster Bank and discussions with employees of Webster Bank:

a. From at least 2003, MVMC provided the service of replenishing ATMs owned by Webster Bank with cash on a regular basis.

b. As of January 2010, MVMC performed these cash replenishing services for approximately 162 ATMs owned by Webster Bank. These ATMs are located in Westchester, New York (referred to herein as the "Webster ATMs"). The Webster ATMs would need to be replenished on a weekly basis in the total amount, depending on the season, of between approximately \$10 million and \$16 million. Webster Bank contracted with another company ("Company A") to manage these cash replenishing services provided by MVMC.

c. The Webster ATMs were replenished by MVMC in the following manner. Webster Bank would transfer by wire the amount of cash needed to replenish the Webster ATMs to an account at Bank of America for the benefit of Webster Bank. MVMC was authorized to withdraw this cash from the Bank of America account for the purpose of replenishing the Webster ATMs. Upon withdrawing the money, MVMC would typically take the cash to its own vault for the purpose of filling "canisters" that were then inserted into the Webster ATMs by MVMC employees. When a new canister was inserted into an ATM, the old canister - even if it still contained money - was removed by MVMC, and taken by MVMC to its vault. The cash left in an ATM's canister when it was removed by MVMC is referred to as the "residual" cash. MVMC was supposed to deposit the residual cash it collected from the Webster ATMs back into Webster Bank's account with Bank of America. When MVMC collected the canisters from the Webster ATMs and deposited the residual cash into the Bank of America account, MVMC would report the fact that it had so returned the cash by an entry into Webster Bank's computer network, to which MVMC had access.

d. Between on or about January 7, 2010 and January 22, 2010, MVMC reported to Webster Bank on approximately eight separate occasions that it had collected approximately \$12,055,815 in residual cash from Webster ATMs and had either deposited this cash into Webster Bank's account with Bank of America or was retaining this cash in its vault for the benefit of Webster Bank.

e. On or about January 28, 2010, Webster learned that its account at Bank of America was short approximately \$12 million. Webster Bank immediately notified MVMC of the shortfall.

7. On or about January 29, 2010, ROBERT EGAN, the defendant, had a telephone conversation with an investigator authorized to act on behalf of Company A. The investigator recorded the call. I have reviewed the recording. During the conversation, EGAN stated, in substance and in part, that:

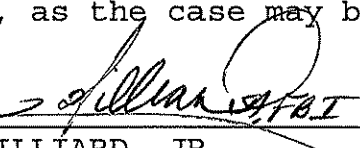
a. The \$12 million that was supposed to be returned to Webster Bank's account with Bank of America was used by EGAN to fund other "shortfalls" in MVMC's business operations, which had been caused by the unauthorized misappropriation of funds from other customers.

b. EGAN was aware that he had used Webster Bank's money to fund MVMC's business without Webster Bank's knowledge or approval; EGAN knew that such use of Webster Bank's funds was not the "right thing to do."

c. EGAN represented that he would attempt to return the misappropriated funds.

8. Based upon my review of publicly available information, I know that Webster Bank is and was at all relevant times FDIC insured.

WHEREFORE, deponent respectfully requests that an arrest warrant be issued for ROBERT EGAN, the defendant, and that he be arrested and imprisoned, or bailed, as the case may be.



JAMES H. HILLIARD, JR.
SPECIAL AGENT
FEDERAL BUREAU OF INVESTIGATION

Sworn to before me this
4th day of February, 2010



HONORABLE MICHAEL H. DOLINGER
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK