

inflated expense reports to the SBA, seeking reimbursement for those bills as legitimate SBA expenditures when in fact they were not. Altogether, MULLINS was reimbursed for over \$1 million dollars in expenses from the SBA, the majority of which was fraudulently obtained.

Background on the SBA

2. The SBA is the fifth-largest police union in the United States with its headquarters located in lower Manhattan. The SBA is governed by a Constitution and By-Laws. The Constitution provides that the purpose of the SBA is "to promote the general welfare of its membership through moral, intellectual, and social cooperation, and to establish and maintain benefit programs and funds as provided for in this Constitution and By-Laws."

3. The SBA's membership consists of all active and retired sergeants of the NYPD, with approximately 13,000 members as of October 2021. All members are required to pay dues to the SBA. For active members, dues are deducted bi-weekly from their paychecks, totaling approximately \$1,300 annually for each member. For retired members, dues are required to be paid in a one-time payment of \$600 within ninety days of retirement.

4. The SBA has a Contingent Fund, which is used to pay for the SBA's "regular, fiscal, and miscellaneous expenses necessary for the transaction of the [SBA's] business." The

Contingent Fund is funded primarily through member dues. Ninety cents of each dollar of member dues are deposited into the Contingent Fund, where they are supposed to be used for the benefit of the SBA and its members.

5. With respect to the Contingent Fund, the SBA Constitution provides that "[t]he President of this Association is authorized" to use the Contingent Fund to "defray miscellaneous expenses incurred in the performance of duties, e.g., travel, lodgings, meals, et cetera," and "when such obligations are incurred a voucher shall be presented to and approved for payment by the Treasurer."

6. The SBA also has a written expense reimbursement policy that was issued in or around 2013 (the "Policy"). The Policy provides, among other things, that "the SBA will reimburse actual and reasonable meal expenses required to conduct SBA business or fulfill the SBA's mission." In order to be "reimbursable," expenses "must be closely related to SBA business." The Policy further provides that "[r]eceipts are required for any meal," and that "[r]equests for reimbursement for meals in excess of \$50.00 must be accompanied by an attendee list and the subject matter discussed." Moreover, the "expense report must include an explanation of any expenses for which no receipts are provided."

The SBA Leadership

7. The SBA is governed by a Board of Officers, consisting of nine officers, including the President, Vice President, and Treasurer, among others, and fourteen directors. Officers are elected to four-year terms, and candidates may run on a "slate," or with a group of other candidates.

8. Beginning in or around 2002, EDWARD D. MULLINS, the defendant, ran for and was elected President of the SBA for five successive four-year terms. In each election, MULLINS ran on a slate with other prospective candidates. After the 2014 election, the individual who had been elected Vice President of the SBA assumed responsibility for reviewing and approving the expense reports submitted by SBA officers, including MULLINS. The Vice President routinely scrutinized expense reimbursement requests and rejected certain expenses if they were too high or were not supported by receipts.

9. In or around 2017, the then-Vice President retired as an officer of the SBA. The Treasurer assumed primary responsibility for reviewing and approving expense reports submitted for reimbursement by SBA officers, including MULLINS. The Treasurer did not scrutinize the expense reports in the same manner as the prior Vice President had, and, in particular, did not regularly require receipts for MULLINS's reimbursements in particular. As set forth below, the Treasurer approved hundreds

of expense reports for MULLINS, totaling more than \$1 million dollars.

10. In the 2018 election, EDWARD D. MULLINS, the defendant, placed the Treasurer on his slate for reelection, and MULLINS and the Treasurer, among others, were reelected for another four-year term.

Mullins Orchestrates a Scheme to Defraud the SBA

11. Beginning in or about 2017, EDWARD D. MULLINS, the defendant, devised a scheme to fund his personal expenses through SBA dollars. Specifically, MULLINS charged his personal credit card for, among other things, hundreds of high-end meals, clothing, jewelry, home appliances, and a relative's college tuition. MULLINS then submitted, typically by email, fraudulent and inflated expense reports to the Treasurer of the SBA, seeking reimbursement for such items purporting to be legitimate SBA expenditures when in fact they were not. MULLINS rarely included receipts.

12. Once received, the Treasurer processed the expense reports - almost always without obtaining any receipts - and issued SBA reimbursement checks to EDWARD D. MULLINS, the defendant, from the Contingent Fund - i.e., the fund that was made up almost entirely of member dues. MULLINS then deposited the checks into his bank account or enlisted an individual at the SBA to deposit the checks on MULLINS's behalf at a bank branch near the SBA's

headquarters in lower Manhattan. MULLINS then, usually immediately thereafter, paid down his credit card bills with the deposited funds.

13. The amount of money that EDWARD D. MULLINS, the defendant, received from the SBA for expense reimbursement grew with time. For example, in 2017, MULLINS received \$69,655 from the SBA; in 2018, MULLINS received \$265,465 from the SBA; in 2019, MULLINS received \$344,909 from the SBA; in 2020, even during the COVID-19 pandemic, MULLINS received \$174,114 from the SBA; and up and until October 2021, MULLINS received \$153,836 from the SBA.

14. To effectuate this corrupt scheme, EDWARD D. MULLINS, the defendant, made at least three types of misstatements on his expense reports, each of which is discussed in greater detail below. First, MULLINS included meals on his expense reports that were not SBA-related. Second, MULLINS inflated the costs of his meals—whether SBA-related or not. In other words, for example, if the actual cost of a meal was \$522.55, MULLINS would seek reimbursement from the SBA for \$822.55, and pocket the difference. At times, MULLINS would even write out these changes on his personal credit card statements that he maintained at his home - *i.e.*, crossing off "522.55" and writing in "822.55", thereby documenting his false statements. Third, MULLINS would take personal expenses like supermarket bills and claim them on his expense reports as SBA-related meals for which he also sought

reimbursement. Through all of these false statements, MULLINS received more than \$1 million dollars in expense reimbursements from the SBA, the majority of which was fraudulently obtained

15. As noted above, EDWARD D. MULLINS, the defendant, would frequently seek reimbursement for personal meals. For example, in late 2019, MULLINS submitted expense reports to the Treasurer for more than \$3,000 at a high-end restaurant in Greenwich Village in Manhattan ("Restaurant-1"). Those charges, however, were not related to any work for the SBA. Instead, as reflected in text messages that MULLINS exchanged with an employee of Restaurant-1 (the "Employee"), MULLINS was paying, on two separate occasions, for family members and personal associates to dine at Restaurant-1.

16. Specifically, on or about November 30, 2019, EDWARD D. MULLINS, the defendant, purchased two \$300 gift cards for Restaurant-1 and then sought reimbursement from the SBA for both gift cards. Two weeks later, MULLINS texted the Employee to inform the Employee that a relative ("Relative-1") and Relative-1's partner "are coming in for dinner tonight" and "I gave [Relative-1] a gift card that I grabbed 2 weeks ago." MULLINS sent a similar text message to the Employee the following night when a personal associate ("Associate-1") was planning to dine at Restaurant-1 and use the other gift card that MULLINS had purchased with SBA funds. And then, later that month, MULLINS submitted to the Treasurer an

additional \$788 charge from Restaurant-1 on the same night that Associate-1 - but not MULLINS - dined at Restaurant-1.

17. As another example, on or about October 3, 2020, EDWARD D. MULLINS, the defendant, sent a text message to another personal associate ("Associate-2") asking Associate-2, "Going to place an order at [the Steakhouse] what do u want[?]" Associate-2 responded by providing MULLINS with a list of several items on the menu. MULLINS's October 2020 credit card statement reflects a \$744.59 expense at the Steakhouse on October 3, 2020. MULLINS later submitted this fraudulent \$744.59 expense, without a receipt, to the Treasurer for reimbursement, claiming the expense as an SBA-related meal when in fact it was not.

18. In addition to submitting personal expenses for reimbursement, EDWARD D. MULLINS, the defendant, inflated and altered his actual expenses in order to steal more money from the SBA. In this regard, MULLINS maintained two copies of his credit card statements in his home office. The first copy, often labeled with a sticky note bearing the words "Clean Copy," had no annotations or markings. The second copy, often labeled with a sticky note bearing the words "Work Copy" or "Work Sheet," had MULLINS's handwritten annotations and markings throughout. In the Work Copy, MULLINS changed the amount and, at times, the type of expense, from a lower amount to a larger amount, or from an item that could not be reimbursed - such as a supermarket bill - to a

restaurant name, which would then be reflected in MULLINS's reimbursement forms submitted to the Treasurer and the SBA.

19. For example, as reflected in the following excerpt from the "Work Copy" of an April 2021 credit card statement for EDWARD D. MULLINS, the defendant, MULLINS changed a \$45.92 charge to an \$845.92 charge at a wine bar in New Jersey; a \$609.89 charge to a \$909.89 charge at the Steakhouse; and a \$185.88 charge at a supermarket on Long Island to a \$685.88 charge at an Italian restaurant in Manhattan. MULLINS then submitted those fraudulent expenses, without receipts, to the Treasurer for reimbursement.

\$45.92	\$845.92
\$609.89	\$909.89
\$50.42	
\$146.56	
\$90.00	
\$2.99	
\$72.77	
\$62.76	
\$25.00	
\$172.60	
\$106.68	
\$185.88	\$685.88

21. Altogether, as a result of the scheme described above, EDWARD D. MULLINS, the defendant, received more than \$1 million dollars in expense reimbursements from the SBA, the majority of which was fraudulently obtained.

STATUTORY ALLEGATION

22. From at least in or about 2017, up to and including in or about October 2021, in the Southern District of New York and elsewhere, EDWARD D. MULLINS, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, MULLINS sought approximately \$1 million dollars in reimbursements from the SBA by claiming fraudulent expenses, and used and caused to be used interstate wires that passed through the Southern District of New York in furtherance of his scheme, including by sending emails seeking reimbursement and causing a bank in Manhattan to route financial wires to locations outside of New York.

(Title 18, United States Code, Sections 1343 and 2.)

FORFEITURE ALLEGATION

23. As a result of committing the offense alleged in Count One of this Information, EDWARD D. MULLINS, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from, proceeds traceable to the commission of said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense.

Substitute Assets Provision

24. If any of the above-described forfeitable property, as a result of any act or omission of the defendant: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third person; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property which cannot be subdivided without difficulty; it is the intent of the United States, pursuant to Title 21, United

States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)



DAMIAN WILLIAMS
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

EDWARD D. MULLINS,

Defendant.

INFORMATION

22 Cr. _____

(18 U.S.C. §§ 1343 and 2.)

DAMIAN WILLIAMS
United States Attorney
