

Department of Justice  
U.S. Attorney's Office  
Central District of California

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## **Retired Postal Worker Sentenced to Over 8 Years in Prison for Bribery Scheme Involving Bulk Mail that Caused \$11.7 Million in Losses**

LOS ANGELES – A former employee of the United States Postal Service was sentenced today to 100 months in federal prison for accepting bribes from business customers in exchange for falsely approving unpaid or underpaid bulk mail shipments, causing more than \$11.7 million in total losses to his employer.

Juan Enrique Caudillo, 60, of Lakewood, was sentenced by United States District Judge R. Gary Klausner. Judge Klausner also ordered Caudillo, who has been in federal custody since December 2018, to pay \$11,745,608 in restitution to the U.S. Postal Service. Caudillo pleaded guilty in March 2019 to one count of conspiracy to commit mail fraud.

Caudillo, who retired from the U.S. Postal Service last year, also agreed to surrender his pension as restitution, as well as the full balance – approximately \$140,000 – of his Thrift Savings Plan, a 401(k)-type account available to federal employees.

Since at least 2012, Caudillo, while working as a bulk mail clerk at the Paramount post office, took bribes in exchange for approving unpaid or underpaid bulk mail shipments as fully paid. In one scheme, the owner of Premier Mailing, Inc., a Paramount-based company, paid Caudillo bribes in return for Caudillo falsely listing certain mailings as prepaid, resulting in no postage being paid for them. In a separate scheme, Caudillo accepted bribes to allow another business mailer to underreport information, resulting in reduced payment to the Postal Service for mailings.

“[Caudillo] took advantage of his special training and detailed knowledge of postal procedures to make his fraud nearly impossible to detect: He directed his co-conspirators to use the more cumbersome manual mailing forms rather than the more modern digital ones, exactly the opposite of Postal Service policy,” prosecutors wrote in their sentencing memorandum. “As a result, [Caudillo’s] fraud was

buried in a mountain of paper rather than exposed by a computer system that can easily cross-check the number of pieces of mail sent from one post office with those received at another.”

Caudillo has agreed to forfeit almost \$700,000 in cash seized from his residence during a November 2018 search warrant. Caudillo also agreed to forfeit approximately \$50,000 seized from various bank accounts he maintained, and a Eureka, California residence that he purchased with the scheme’s proceeds of the schemes.

“Mr. Caudillo defrauded the Postal Service and abused his position of public trust by accepting bribes from businesspeople who didn’t want to pay to use the mails,” said United States Attorney Nick Hanna. “Public corruption is a priority for my office, and today’s sentence reflects our determination to aggressively prosecute wrongdoing by any public official.”

Two co-defendants, Ramon Arribeno, 61, of Hacienda Heights, and Armando Lopez-Torres, 63, of the El Sereno neighborhood of the City of Los Angeles, the owner and manager, respectively, of Premier Mailing, each pleaded guilty in 2019 to charges for their roles in the conspiracy and received federal prison sentences.

“The public must have confidence that Postal Service employees will conduct their work in an honest manner,” said Special Agent in Charge Brian Washington, U.S. Postal Service Office of Inspector General. “When employees commit serious offenses, such as taking bribes to overlook large amounts of potential Postal Service revenue, they will be aggressively investigated and prosecuted.”

“Today’s sentencing is a victory for law enforcement in the ongoing battle against people who commit crimes through our nation’s mail system,” said Patricia Armstrong, Inspector in Charge of the Los Angeles Division of the U.S. Postal Inspection Service. “Corrupt employees, like Juan Caudillo, are especially troubling because their actions undermine trust in great public institutions.”

These matters were investigated jointly by the U.S. Postal Service Office of Inspector General and the U.S. Postal Inspection Service.

This case was prosecuted by Assistant United States Attorney Andrew G. Brown of the Major Frauds Section.

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