

Pocketing Unearned Recruiting Bonuses Leads to Legal Problems for Soldiers

Written by Nick Sanders
Thursday, 12 July 2012 00:00

“Be all you can be.”

Sure. But we don’t think they meant *“Take advantage of Army recruiting referral incentive programs to grab as much as you can grab.”*

To date, eight individuals have been charged in a “wide-ranging scheme” to fraudulently obtain U.S. Army recruiting referral bonuses. Six of those individuals have pleaded guilty to their roles in the scheme. This Department of Justice [press release](#) announced that two of the six—Christopher Castro and Ernest Gonzalez—were recently sentenced for pleading guilty to one count of conspiracy to commit wire fraud.

According to the DOJ press release, Castro and Gonzalez were participants in a scheme where Recruiting Assistants (RAs) and Sponsors were provided with the names and Social Security Numbers of “walk-in” soldiers—i.e., people who decided to join the Army without being referred by anybody. So nobody was entitled to receive the monetary incentives (up to \$2,000 per referred individual) associated with the walk-in enlistments. The walk-in names and SSNs were provided by “active duty and civilian contract recruiters.” The information was used to claim referral credit and the incentives, which would then be split with those who provided the information.

The DOJ reported—

In total, Castro, Gonzales and their co-conspirators received at least \$244,000 in fraudulent recruiting referral bonuses according to court documents. Castro personally received \$26,000 in fraudulent recruiting referral bonuses using RA accounts in his name and an RA account in his relative’s name. In his capacity as a civilian contract recruiter, Castro admitted that he also sold the names and Social Security numbers of potential soldiers to a co-conspirator, in return for a portion of the fraudulent recruiting referral bonuses obtained by Aves and others. Gonzales personally received \$17,000 in fraudulent recruiting referral bonuses using his RA account and permitted a co-conspirator to receive an additional \$18,000 in fraudulent recruiting referral bonuses through Gonzales’s RA account.

For their crimes, the DOJ reported—

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On June 29, 2012, Chief U.S. District Judge Fred Biery sentenced Christopher Castro to one year and a day in prison, to be followed by three years supervised release. Ernest Gonzales was sentenced on June 29, 2012, by Chief Judge Biery to five years probation. Chief Judge Biery also ordered Castro and Gonzales to pay \$244,000 in restitution, to be paid jointly and severally.

So, what do we think about this latest evidence of corrupt behavior in our nation's armed forces?

Well, what we think is that the Army should have done what almost every savvy corporation does, when recruiting referral bonuses are being offered. It should have made the new recruit identify any individual who made the referral, or else check a box on a form that said "nobody referred me." That would have been a simple, inexpensive, effective control that would have acted to make this kind of "wide-ranging" conspiracy a whole lot harder to execute.

That's what we think about that.