



Department of Justice

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KANSAS WOMAN PLEADS GUILTY TO MAKING FALSE STATEMENT TO FBI IN E-RATE FRAUD INVESTIGATION

WASHINGTON — A Kansas woman pleaded guilty to making a false statement to the FBI during an investigation into allegations of fraud against the Federal Communications Commission's (FCC) E-Rate program, the Department of Justice announced today.

According to the plea agreement, filed today in U.S. District Court in Kansas City, Kan., Mary Jo LaDuron, aka Mary Jo Gault, of Leavenworth, Kan., lied to FBI agents who were investigating allegations of fraud against the E-Rate program. According to the information, LaDuron worked for Elephantine Corporation beginning in 1999 through at least November 2003. Elephantine was formed and owned by LaDuron's son, Leonard Douglas "Doug" LaDuron. Mary Jo LaDuron lied to FBI agents on March 23, 2006, when she denied knowing certain information about Elephantine and the E-Rate program.

On April 24, 2008, Mary Jo LaDuron was previously indicted for participating in a conspiracy to defraud the E-Rate program. Today's plea resolves the Antitrust Division's charges against her. Other individuals who were charged in connection with the same conspiracy include Leonard Douglas LaDuron, as well as two co-conspirators, Benjamin Rowner and Jay H. Soled. Leonard Douglas LaDuron, Rowner and Soled have all pleaded guilty to participating in the conspiracy, which began in 1999 and ran at least until 2003. All three individuals are awaiting sentencing. Leonard Douglas LaDuron also pleaded guilty to one count of making a false statement to the Lawrence-Douglas County Housing Authority, which administers the Department of Housing and Urban Authority's Housing Choice Voucher Program in Lawrence, Kan.

The Schools and Libraries Universal Service Fund, a federally funded program known as E-Rate, was created by the Telecommunications Act of 1996. E-Rate is a program through which the Universal Services Administrative Company, a not-for-profit corporation, acting under oversight of the FCC, subsidizes the provision of Internet access and telecommunications services, as well as internal computer and communications networks to economically disadvantaged schools and libraries.

The false statement charge carries a maximum penalty of five years in prison and a \$250,000 fine. Today's charge is the result of an investigation conducted by the Antitrust Division's Chicago Field Office, the FBI, the Department of Housing and Urban Development Office of Inspector General, and the FCC with assistance from the U.S. Attorney's Office for the

District of Kansas. Anyone with information concerning violations of the E-Rate program or other anticompetitive conduct is urged to call the Antitrust Division's Chicago Field Office at 312-353-7530.

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