

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	<b>:</b>	<b>CRIMINAL NO. 15-491</b>
<b>v.</b>	<b>:</b>	<b>DATE FILED: January 26, 2016</b>
<b>RENEE TARTAGLIONE</b>	<b>:</b>	<b>VIOLATIONS:</b>
	<b>:</b>	<b>18 U.S.C. § 371 (conspiracy – 1</b>
	<b>:</b>	<b>count)</b>
	<b>:</b>	<b>18 U.S.C. §§ 1341, 1349 (mail fraud</b>
	<b>:</b>	<b>– 12 counts)</b>
	<b>:</b>	<b>18 U.S.C. §§ 1343, 1349 (wire fraud</b>
	<b>:</b>	<b>– 12 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 669 (theft from a health</b>
	<b>:</b>	<b>care benefit program – 12 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 666 (theft from a</b>
	<b>:</b>	<b>program receiving federal funds –</b>
	<b>:</b>	<b>12 counts)</b>
	<b>:</b>	<b>18 U.S.C. § 2 (aiding and abetting)</b>
	<b>:</b>	<b>26 U.S.C. § 7201(6) (false statements</b>
	<b>:</b>	<b>on tax returns - 4 counts)</b>
	<b>:</b>	<b>Notice of forfeiture</b>

**SUPERSEDING INDICTMENT**  
**COUNT ONE**  
**(Conspiracy)**

**THE GRAND JURY CHARGES THAT:**

At all times material to this indictment:

**A. JCMHC's Purpose and Funding**

1. Juniata Community Mental Health Clinic ("Juniata" or "JCMHC") was a nonprofit corporation under the laws of the Commonwealth of Pennsylvania. JCMHC was established for the purpose of rendering psychiatric outpatient mental health services, and was located in Philadelphia, Pennsylvania.

2. JCMHC held a contract with the City of Philadelphia's Community Behavioral Health ("CBH"). CBH was a not-for-profit corporation contracted by the City of Philadelphia to provide mental health and substance abuse services for Philadelphia County Medicaid recipients.

3. Medicaid was a joint federal and state program that helped with medical costs for some people with limited income and resources.

4. Pursuant to the contract between JCMHC and CBH, JCMHC billed CBH for mental health services provided by JCMHC, and CBH paid JCMHC for those services.

5. The funds that CBH used to pay JCMHC came from the United States government and the Commonwealth of Pennsylvania. The United States and the Commonwealth of Pennsylvania provided Medicaid funds to the City of Philadelphia to pay for mental health services for Medicaid recipients living in Philadelphia County. CBH served as a conduit for this money to be paid to the mental health service providers, such as JCMHC.

6. In each of the years 2006 through and including 2015, CBH paid JCMHC substantially more than \$10,000 in funds that were from the United States government.

7. Numerous therapists and other mental health professionals worked at and for JCMHC providing mental health and counseling services, and received payment from JCMHC for rendering those services.

**B. JCMHC's Governance and Banking**

8. JCMHC had no shareholders, and was supposed to be governed by a Board of Directors.

9. Under Pennsylvania law, the members of JCMHC's Board each owed a fiduciary duty to JCMHC, and were required to act in the best interests of JCMHC.

10. By January of 2006, defendant RENEE TARTAGLIONE had become a member of the Board of Directors of JCMHC.

11. Defendant RENEE TARTAGLIONE filled JCMHC's Board of Directors with persons whom defendant TARTAGLONE believed would be loyal to her, and would not question her actions and decisions.

12. On or about March 21, 2007, defendant RENEE TARTAGLIONE became President of the Board of Directors of JCMHC.

13. Defendant RENEE TARTAGLIONE had signature authority on all checks written on JCMHC's bank accounts. Paychecks for employees and independent contractors who worked for JCMHC were issued every two weeks. Until on or about September 1, 2011, all JCMHC checks were signed by defendant TARTAGLIONE.

14. JCMHC had bank accounts at Washington Savings Bank ("WSB") in Philadelphia, Pennsylvania until in or about December 2012.

15. As of in or about December 2012, JCMHC had bank accounts at Hyperion Bank ("HYP") in Philadelphia, Pennsylvania.

**C. The 3<sup>rd</sup> Street Building**

16. On or about January 23, 2006, defendant RENEE TARTAGLIONE signed a lease, on JCMHC's behalf, to rent a one-story building at 2254-60 N. 3<sup>rd</sup> Street in Philadelphia, Pennsylvania ("the 3<sup>rd</sup> Street building"). At that time, the 3<sup>rd</sup> Street building was owned by D.L., a person known to the grand jury. On or about that same date, JCMHC began to provide services from the 3<sup>rd</sup> Street building. JCMHC remained at the 3<sup>rd</sup> Street building until early December 2012.

17. Under the terms of the January 23, 2006 lease, JCMHC was to pay \$4,500 per month in rent for the first four-year term of the lease. JCMHC had the right to renew the lease for another three-year term, with rent during that term of \$4,800 per month.

18. As soon as JCMHC took occupancy of the 3<sup>rd</sup> Street building, JCMHC began to spend money to repair and improve the 3<sup>rd</sup> Street building.

**D. The 5<sup>th</sup> Street Building**

19. In early December 2012, JCMHC moved into and began to pay rent for a five-story building at 2637-45 N. 5<sup>th</sup> Street, Philadelphia Pennsylvania ("the 5<sup>th</sup> Street building").

**E. Persons 2, 3, 4, 5, 6, 7, and 8**

20. Persons 2, 3, 4, 5, 6, and 8, persons whose identities are known to the grand jury, each worked for or at JCMHC for some period of time.

21. Person 7, a person whose identity is known to the grand jury, did not work at JCMHC, but was related to Persons 5 and 6.

**THE CONSPIRACY**

22. From at least in or about May 2007, through at least in or about October 2015, in the Eastern District of Pennsylvania, and elsewhere, defendant

**RENEE TARTAGLIONE**

conspired and agreed, together and with others known and unknown to the grand jury, including Persons 2, 3, 4, 5, 6, and 7 known to the grand jury, to commit the following offenses against the United States:

- mail fraud, that is, having devised a scheme to defraud JCMHC, and to obtain money and property of JCMHC by materially false and fraudulent pretenses,



representations, and promises, to cause any matter or thing to be deposited for sending or delivery by any private or commercial interstate carrier in furtherance of the scheme, in violation of Title 18, United States Code, Section 1341;

- wire fraud, that is, having devised a scheme to defraud JCMHC, and to obtain money and property of JCMHC by materially false and fraudulent pretenses, representations, and promises, to cause to be transmitted by means of wire communication in interstate commerce certain data in furtherance of the scheme, in violation of Title 18, United States Code, Section 1343;

- conversion from JCMHC, a health care benefit program as defined in Title 18, United States Code, Section 24(b), in violation of Title 18, United States Code, Section 669; and

- conversion from JCMHC, an organization receiving more than \$10,000 in federal funds each year, in violation of Title 18, United States Code, Section 666.

### **MANNER AND MEANS**

It was part of the conspiracy that:

23. Defendant RENEE TARTAGLIONE acquired control of JCMHC, and converted money belonging to JCMHC to her personal benefit.

24. The conspirators defrauded JCMHC by causing money from JCMHC's bank account to be used without the informed consent and approval of JCMHC's Board of Directors.

25. The conspirators defrauded JCMHC by causing money from JCMHC's bank account to be used for defendant RENEE TARTAGLIONE's personal benefit and purposes.

26. The conspirators defrauded JCMHC by causing money from JCMHC's bank account to be used for purposes that did not benefit JCMHC or its mission.

27. The conspirators filled JCMHC's Board of Directors with persons whom they believed would not question defendant RENEE TARTAGLIONE.

28. The conspirators caused the creation of false and fictitious documents that purported to be minutes of meetings of the Board of Directors of JCMHC, and entered these false and fictitious minutes in the records of JCMHC.

29. The conspirators did not disclose to the Board of Directors of JCMHC the material fact that money was being taken from JCMHC for the personal benefit of defendant RENEE TARTAGLIONE.

30. The conspirators defrauded JCMHC, and converted JCMHC's money, in the following primary ways:

a. the conspirators caused JCMHC to pay an excessive and above-market rent rate to its landlord, which was a company owned by defendant RENEE TARTAGLIONE;

b. the conspirators repeatedly raised the rent that JCMHC paid its landlord, without regard to JCMHC's rights or interests;

c. the conspirators caused JCMHC to make undue and unjustified payments to its landlord above and beyond the payment of the excessive and above-market rent rate, including causing JCMHC to pay more than 12 months of rent in a year;

d. the conspirators caused JCMHC to issue checks to certain persons connected to JCMHC for the benefit of defendant RENEE TARTAGLIONE that were not for goods or services actually provided to JCMHC, which checks were either turned into cash which

was then given to defendant TARTAGLIONE or were to assist the payees with the tax consequences from having the unearned checks that were turned into cash issued in their names.

**The Defendant Bought the 3<sup>rd</sup> Street Building and Charged JCMHC Excessive Rent**

31. On or about April 30, 2007, defendant RENEE TARTAGLIONE purchased the 3<sup>rd</sup> Street building from D.L., and within weeks, contrary to the terms of the January 23, 2006 lease, and for no legitimate purpose, raised JCMHC's rent to \$7,500 per month.

32. On or about June 1, 2007, defendant RENEE TARTAGLIONE created Norris Hancock LLC (Norris Hancock), a limited liability company formed in Pennsylvania. Defendant Tartaglione was the sole shareholder of Norris Hancock.

33. From on or about June 21, 2007, until on or about November 16, 2012, JCMHC paid rent to Norris Hancock for the 3<sup>rd</sup> Street building.

34. On or about October 12, 2007, defendant RENEE TARTAGLIONE transferred title for the 3<sup>rd</sup> Street building to Norris Hancock.

35. From on or about June 21, 2007, until on or about April 24, 2009, the conspirators caused JCMHC to pay Norris Hancock \$7,500 in monthly rent for the 3<sup>rd</sup> Street building.

36. Approximately two years after defendant RENEE TARTAGLIONE first raised JCMHC's rent for the 3<sup>rd</sup> Street building from \$4,500 per month to \$7,500 per month, defendant TARTAGLIONE raised JCMHC's rent again, this time to \$10,000 per month.

37. On or about May 21, 2009, the conspirators caused the creation of a purported lease between JCMHC and Norris Hancock reflecting the new and unjustified rental rate of \$10,000 per month. This lease had a term of 5 years, from May 21, 2009 until May 21, 2014.

38. From on or about May 21, 2009, until on or about December 3, 2010, the conspirators caused JCMHC to pay Norris Hancock \$10,000 in monthly rent for the 3<sup>rd</sup> Street building.

39. Less than two years after JCMHC's rent for the 3<sup>rd</sup> Street building had been raised to \$10,000 per month, and contrary to the terms of the purported lease dated May 21, 2009, the conspirators again raised JCMHC's rent for the 3<sup>rd</sup> Street building, this time to \$15,000 per month.

40. From on or about December 31, 2010 through November 18, 2011, the conspirators caused JCMHC to pay Norris Hancock \$15,000 in monthly rent for the 3<sup>rd</sup> Street building.

41. On or about January 1, 2011, the conspirators caused the creation of a purported lease between JCMHC and Norris Hancock reflecting the new and unjustified rental rate of \$15,000 per month. This lease had a term of 10 years, from January 1, 2011 until December 31, 2020.

42. Approximately one year after the conspirators had raised JCMHC's rent for the 3<sup>rd</sup> Street building to \$15,000, the conspirators again raised JCMHC's rent, this time to \$25,000 per month.

43. From on or about December 16, 2011 through November 16, 2012, the conspirators caused JCMHC to pay Norris Hancock \$25,000 in monthly rent for the 3<sup>rd</sup> Street building.

44. On or about January 1, 2012, the conspirators caused the creation of a purported lease between JCMHC and Norris Hancock reflecting the new and unjustified rental rate of

\$25,000 per month. This lease had a term of 10 years, from January 1, 2012 until December 31, 2022.

45. In sum, between on or about April 30, 2007 and November 16, 2012, the conspirators raised the rent for the 3<sup>rd</sup> Street building four times, so that by December 2011, JCMHC was paying \$25,000 per month in rent for the 3<sup>rd</sup> Street building, even though JCMHC would have been paying \$4,800 per month, the market rate rent, at that time under the terms of the January 23, 2006 lease.

46. Defendant RENEE TARTAGLIONE charged JCMHC, and collected from JCMHC, rent substantially in excess of the market rent for the 3<sup>rd</sup> Street building.

47. None of the increases in JCMHC's rent for the 3<sup>rd</sup> Street building were authorized or approved by JCMHC's Board of Directors.

48. The increases in rent for the 3<sup>rd</sup> Street building were completely unjustified and were designed solely to enrich defendant RENEE TARTAGLIONE and to defraud JCMHC.

**The Defendant Bought the 5<sup>th</sup> Street Building and Caused JCMHC To Pay for Renovations, Move Into the Building, and Pay Excessive Rent**

49. In or about July 2010, defendant RENEE TARTAGLIONE and Person 2 sought to purchase the 5<sup>th</sup> Street building from C.L., a person known to the grand jury. On or about October 12, 2010, Person 2 gave C.L. a check for \$25,000 as a deposit on the 5<sup>th</sup> Street building. This check was drawn on a bank account in Norris Hancock's name and signed by defendant TARTAGLIONE.

50. Beginning in or about July 2010, the conspirators caused JCMHC to pay for cleaning, repairs, and renovations of the 5<sup>th</sup> Street building. JCMHC's Board of Directors did

not authorize or approve these expenditures for a building that JCMHC neither leased nor owned.

51. On or about December 1, 2011, defendant RENEE TARTAGLIONE caused Norris Hancock to purchase the 5<sup>th</sup> Street building.

52. In or about November, 2012, the conspirators caused the creation of a purported lease between JCMHC and Norris Hancock under which JCMHC was to rent the 5<sup>th</sup> Street building for \$75,000 per month. This lease had a term of 5 years, from November 30, 2012 until November 30, 2017. A "Lease Addendum" provided for JCMHC's rent to be "adjusted" to \$35,000 per month for the first 24 months of the lease term. JCMHC's Board of Directors did not authorize or approve the November 2012 lease or the rent it required.

53. In or about December, 2012, JCMHC moved from the 3<sup>rd</sup> Street building into the 5<sup>th</sup> Street building, and began paying Norris Hancock \$35,000 a month in rent.

54. Defendant RENEE TARTAGLIONE charged JCMHC, and collected from JCMHC, rent substantially in excess of the market rent for the 5<sup>th</sup> Street building.

**The Conspirators Had JCMHC Make Extra Payments to Defendant Tartaglione and Her Company**

55. On or about May 29, 2007, the conspirators caused JCMHC to pay defendant RENEE TARTAGLIONE \$15,000 as a purported "office rent deposit" for the 3<sup>rd</sup> Street building. This sum was not a legitimate obligation of JCMHC, was not authorized or approved by JCMHC's Board of Directors, and was never returned to JCMHC after JCMHC left the 3<sup>rd</sup> Street building. Defendant TARTAGLIONE used this money for her own personal benefit.

56. While JCMHC was renting the 3<sup>rd</sup> Street building from Norris Hancock, and paying fraudulent and falsely inflated rent, the conspirators also caused JCMHC to pay extra

sums (sometimes characterized as “advance rent”) to Norris Hancock. Such sums were not legitimate obligations of JCMHC, were never credited as rent paid by JCMHC, and were not authorized or approved by JCMHC’s Board of Directors. Defendant RENEE TARTAGLIONE used this money for her own personal benefit.

57. On or about April 5, 2012, the conspirators caused JCMHC to issue a check to Norris Hancock for \$150,000. The conspirators caused a draft lease between JCMHC and Norris Hancock to be created, calling for JCMHC to pay Norris Hancock \$50,000 per month to rent the 5<sup>th</sup> Street building and a “security deposit” of \$150,000. The conspirators caused the books and records of JCMHC to reflect that the \$150,000 check was a “rent deposit” for the 5<sup>th</sup> Street building. This expenditure was not a legitimate obligation of JCMHC, was not authorized or approved by JCMHC’s Board of Directors, and defendant RENEE TARTAGLIONE used this money for her own personal benefit.

#### **Fabrication of JCMHC Records and Board Minutes**

58. The conspirators caused the creation of false and fictitious documents that were entered into the books and records of JCMHC.

59. The false and fictitious documents that the conspirators created included documents that purported to be minutes of meetings of the Board of Directors of JCMHC. These fake minutes described meetings, events, and Board members’ questions and votes which in fact had never occurred.

60. The conspirators created these fake documents and caused them to be entered into the records of JCMHC to make it appear as though the Board of Directors of JCMHC had approved certain actions, including certain expenditures. For example, the conspirators caused

the creation of fake minutes which purported to show that JCMHC's Board of Directors knew that the landlord of the 3<sup>rd</sup> Street building had been changed to Norris Hancock, knew that defendant RENEE TARTAGLIONE owned or controlled Norris Hancock, approved of an increase in rent for the 3<sup>rd</sup> Street building, approved of salaries and bonuses for Person 2, approved of the expenditure of funds to renovate the 5<sup>th</sup> Street building, approved of JCMHC's move to the 5<sup>th</sup> Street building, and approved and authorized the November 2012 lease between JCMHC and Norris Hancock.

#### **Kickbacks from Unearned JCMHC Checks**

61. The conspirators converted money belonging to JCMHC to defendant RENEE TARTAGLIONE's personal benefit by causing JCMHC to issue checks drawn on JCMHC's bank account to persons who worked for JCMHC, including Persons 3, 4, 5, 6, and 8, as well as persons who did not work for JCMHC, including Person 7, which checks were not for any legitimate purpose, as no goods or services were provided to JCMHC in exchange for these funds. Rather, these checks were issued to Persons 3, 4, 5, 6, 7, and 8 for the personal benefit of defendant TARTAGLIONE.

62. The conspirators converted money belonging to JCMHC to defendant RENEE TARTAGLIONE's personal benefit by causing JCMHC to issue checks drawn on JCMHC's bank account to Persons 3, 4, 5, 6, and 7 so that those persons would convert these unearned checks into cash, and return the cash to defendant TARTAGLIONE.

63. The conspirators converted money belonging to JCMHC to assist Persons 3, 4 and 5 in paying taxes incurred from their receipt of unearned JCMHC checks which had been converted into cash given to defendant RENEE TARTAGLIONE.



### Overt Acts

In furtherance of the conspiracy and to achieve its objects, defendant RENEE TARTAGLIONE and others known and unknown to the grand jury committed the following overt acts, among others, in the Eastern District of Pennsylvania:

1. On or about March 21, 2007, Person 2 resigned from the position of President of JCMHC's Board, and defendant RENEE TARTAGLIONE became President of JCMHC's Board.
2. On or about April 30, 2007, defendant RENEE TARTAGLIONE purchased the 3<sup>rd</sup> Street building which JCMHC was then renting.
3. On or about May 21, 2007, defendant RENEE TARTAGLIONE signed a JCMHC check for \$7,500 payable to defendant TARTAGLIONE.
4. On or about May 29, 2007, defendant RENEE TARTAGLIONE signed a JCMHC check for \$15,000 payable to defendant TARTAGLIONE.
5. On or about June 1, 2007, defendant RENEE TARTAGLIONE created Norris Hancock.
6. On or about June 21, 2007, defendant RENEE TARTAGLIONE caused JCMHC to begin to pay Norris Hancock \$7,500 in monthly rent for the 3<sup>rd</sup> Street building.
7. On or about October 12, 2007, defendant RENEE TARTAGLIONE transferred title for the 3<sup>rd</sup> Street building to Norris Hancock.
8. Defendant RENEE TARTAGLIONE repeatedly signed multiple JCMHC checks on a single day payable to Person 3, Person 4 and Person 5.

9. On or about April 10, 2008, Person 3 caused checks which were not for services rendered to JCMHC to be written on JCMHC's bank account payable to Person 3, Person 4, and Person 5.

10. On or about April 10, 2008, defendant RENEE TARTAGLIONE signed checks written on JCMHC's bank account payable to Persons 3, 4, and 5 which were for defendant TARTAGLIONE's benefit and not for a legitimate purpose of JCMHC.

11. On or about April 10, 2008, Persons 3, 4 and 5 converted into cash the JCMHC checks described in Overt Act 10 immediately above.

12. On or about April 10, 2008, Persons 3, 4 and 5 delivered to defendant RENEE TARTAGLIONE the cash proceeds of the JCMHC checks described in Overt Act 10 above.

13. On or about April 24, 2009, Person 3 caused checks which were not for services rendered to JCMHC to be written on JCMHC's bank account payable to Persons 3 and 4.

14. On or about April 24, 2009, defendant RENEE TARTAGLIONE signed checks written on JCMHC's bank account payable to Persons 3 and 4 which were for defendant TARTAGLIONE's benefit and not for a legitimate purpose of JCMHC.

15. On or about April 24, 2009, Persons 3 and 4 converted into cash the JCMHC checks described in Overt Act 14 immediately above.

16. On or about April 24, 2009, Persons 3 and 4 delivered to defendant RENEE TARTAGLIONE the cash proceeds of the JCMHC checks described in Overt Act 14 above.

17. On or about May 21, 2009, defendant RENEE TARTAGLIONE caused the creation of a purported lease between JCMHC and Norris Hancock under which JCMHC's rent for the 3<sup>rd</sup> Street building was raised to \$10,000 per month.

18. On or about May 21, 2009, defendant RENEE TARTAGLIONE caused JCMHC to pay Norris Hancock \$10,000 in monthly rent for the 3<sup>rd</sup> Street building.

19. On or about June 18, 2010, Person 3 caused checks which were not for services rendered to JCMHC to be written on JCMHC's bank account payable to Persons 3 and 4.

20. On or about June 18, 2010, defendant RENEE TARTAGLIONE signed checks written on JCMHC's bank account payable to Persons 3 and 4 which were for defendant TARTAGLIONE's benefit and not for a legitimate purpose of JCMHC.

21. On or about June 18, 2010, Persons 3 and 4 converted into cash the JCMHC checks payable to them described in Overt Act 20 immediately above.

22. On or about June 18, 2010, Persons 3 and 4 delivered to defendant RENEE TARTAGLIONE the cash proceeds of the JCMHC checks described in Overt Act 20 above.

23. On or about July 20, 2010, defendant RENEE TARTAGLIONE caused JCMHC to issue a check for demolition work at the 5<sup>th</sup> Street building.

24. On or about October 12, 2010, defendant RENEE TARTAGLIONE caused a check to be drawn on a bank account in Norris Hancock's name for a \$25,000 deposit on the 5<sup>th</sup> Street building.

25. On or about December 31, 2010, defendant RENEE TARTAGLIONE caused JCMHC to begin to pay Norris Hancock \$15,000 in monthly rent for the 3<sup>rd</sup> Street building.

26. On or about January 1, 2011, defendant RENEE TARTAGLIONE caused the creation of a purported lease between JCMHC and Norris Hancock under which JCMHC's rent for the 3<sup>rd</sup> Street building was raised to \$15,000 per month.

27. On or about March 24, 2011, Person 3 wrote a check on JCMHC's bank account payable to Person 4 which was not for services rendered to JCMHC.

28. On or about March 24, 2011, defendant RENEE TARTAGLIONE signed a check for \$11,874 drawn on JCMHC's bank account payable to Person 4 which was for defendant TARAGLIONE'S personal benefit and not for any legitimate purpose of JCMHC.

29. On or about July 23, 2011, defendant RENEE TARTAGLIONE signed a check for \$5,000 drawn on JCMHC's bank account payable to Person 8.

30. On or about December 1, 2011, Norris Hancock purchased the 5<sup>th</sup> Street building.

31. On or about December 16, 2011, defendant RENEE TARTAGLIONE caused JCMHC to begin to pay Norris Hancock \$25,000 in monthly rent for the 3<sup>rd</sup> Street building.

32. On or about January 1, 2012, defendants RENEE TARTAGLIONE caused the creation of a purported lease between JCMHC and Norris Hancock under which JCMHC's rent for the 3<sup>rd</sup> Street building was raised to \$25,000 per month.

33. On or about April 5, 2012, defendant RENEE TARTAGLIONE caused JCMHC to issue a check to Norris Hancock for \$150,000.

34. On or about April 5, 2012, defendant RENEE TARTAGLIONE and Person 2 caused the creation of a draft lease between JCMHC and Norris Hancock under which JCMHC would pay monthly rent of \$50,000 for the 5<sup>th</sup> Street building commencing April 1, 2011, and would pay Norris Hancock a security deposit of \$150,000.

35. On or about August 18, 2012, defendant RENEE TARTAGLIONE caused members of JCMHC's Board of Directors to meet with defendant TARTAGLIONE and Person 2 in Atlantic City, New Jersey.

36. In or about November, 2012, defendant RENEE TARTAGLIONE caused the creation of a purported lease between JCMHC and Norris Hancock under which JCMHC was to rent the 5<sup>th</sup> Street building for \$75,000 per month.

37. On or about December 1, 2012, JCMHC moved from the 3<sup>rd</sup> Street building to the 5<sup>th</sup> Street building.

38. On or about December 14, 2012, defendant RENEE TARTAGLIONE caused JCMHC to begin to pay Norris Hancock \$35,000 in monthly rent for the 5<sup>th</sup> Street building.

39. Defendant RENEE TARTAGLIONE caused the creation of numerous false documents which were entered into the books and records of JCMHC. These false documents included falsified and fabricated documents purporting to be minutes of meetings of the Board of Directors of JCMHC.

All in violation of Title 18, United States Code, Section 371.

**COUNTS TWO THROUGH THIRTEEN**

(Mail Fraud)

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 21 and 23 through 63 and Overt Acts 1 through 39 of Count One of this indictment are incorporated here.

**SCHEME TO DEFRAUD**

2. From at least in or about May 2007, through at least in or about October 2015, in the Eastern District of Pennsylvania, and elsewhere, defendant

**RENEE TARTAGLIONE**

knowingly engaged in a scheme to defraud JCMHC, and to obtain money and property belonging to and under the custody and control of JCMHC by means of materially false and fraudulent pretenses, representations, and promises.

3. It was the object of the scheme for defendant RENEE TARTAGLIONE to obtain money from JCMHC to use for defendant TARTAGLIONE's personal benefit.

**MANNER AND MEANS**

It was a part of the scheme to defraud that:

4. Person 2 and defendant RENEE TARTAGLIONE would control the Board of Directors of JCMHC.

5. Defendant RENEE TARTAGLIONE would select the members of the Board of Directors of JCMHC.

6. JCMHC's Board of Directors would contain only persons who would not question defendant RENEE TARTAGLIONE or her actions.

7. Defendant RENEE TARTAGLIONE would be a signatory on JCMHC's bank accounts.
8. Defendant RENEE TARTAGLIONE would cause JCMHC to rent property from defendant TARTAGLIONE and Norris Hancock.
9. Defendant RENEE TARTAGLIONE would take money from JCMHC by overcharging JCMHC on the rent it paid defendant TARTAGLIONE and Norris Hancock.
10. Defendant RENEE TARTAGLIONE would take money from JCMHC by raising the rent JCMHC paid for the 3<sup>rd</sup> Street building.
11. Defendant RENEE TARTAGLIONE would take money from JCMHC by having JCMHC pay an unreasonably high rent for the 3<sup>rd</sup> Street building.
12. Defendant RENEE TARTAGLIONE would acquire the 5<sup>th</sup> Street building, and cause JCMHC to spend money to renovate the 5<sup>th</sup> Street building and move into the 5<sup>th</sup> Street building.
13. Defendant RENEE TARTAGLIONE would take money from JCMHC by having JCMHC pay an unreasonably high rent for the 5<sup>th</sup> Street building.
14. Defendant RENEE TARTAGLIONE would cause JCMHC to issue checks to Norris Hancock which were not for any legitimate debt or obligation of JCMHC.
15. Defendant RENEE TARTAGLIONE would cause employees of JCMHC, including Persons 3, 4, 5 and 6, and non-employees of JCMHC, including Person 7, to receive checks in their names drawn on JCMHC's bank account which were not for any legitimate purpose, as no goods or services were provided to JCMHC in exchange for these funds. These

checks were issued for Persons 3, 4, 5, 6 and 7 to convert them into cash, and return the cash to defendant TARTAGLIONE for defendant TARTAGLIONE's personal benefit.

16. Defendant RENEE TARTAGLIONE would cause Persons 3, 4 and 5 to receive checks in their names drawn on JCMHC's bank accounts to assist Persons 3, 4 and 5 in paying taxes incurred from cashing the unearned JCMHC checks issued in their names.

17. Defendant RENEE TARTAGLIONE would cause JCMHC to issue checks to other persons, including Person 8, for amounts that were not for any legitimate debt or obligation of JCMHC.

18. On or about the dates below, in the Eastern District of Pennsylvania, defendant

**RENEE TARTAGLIONE,**

for the purpose of executing the scheme described above, and attempting to do so, did cause to be deposited for sending or delivery by a private or commercial interstate carrier numerous checks drawn on JCMHC's WSB bank account, including the sample of checks described below, each mailing constituting a separate count:

COUNT	CHECK NUMBER	APPROXIMATE DATE OF MAILING
2	5916	March 11, 2011
3	5956	March 23, 2011
4	6106	May 6, 2011
5	6508	August 30, 2011
6	6855	November 25, 2011
7	6932	December 20, 2011
8	7065	January 20, 2012
9	7418	April 5, 2012
10	7226	April 9, 2012
11	7715	July 10, 2012
12	7858	July 30, 2012
13	8055	September 26, 2012

All in violation of Title 18, United States Code, Sections 1341 and 1349.



**COUNTS FOURTEEN THROUGH TWENTY-FIVE**

(Wire Fraud)

**THE GRAND JURY FURTHER CHARGES THAT:**

19. Paragraphs 1 through 21 and 23 through 63 and Overt Acts 1 through 39 of Count One of this indictment and Paragraphs 4 through 17 of Count Two of this indictment are incorporated here.

**SCHEME TO DEFRAUD**

20. From at least in or about May 2007, through at least in or about October 2015, in the Eastern District of Pennsylvania, and elsewhere, defendant

**RENEE TARTAGLIONE**

knowingly engaged in a scheme to defraud JCMHC, and to obtain money and property belonging to and under the custody and control of JCMHC by means of materially false and fraudulent pretenses, representations, and promises.

21. It was the object of the scheme for defendant RENEE TARTAGLIONE to obtain money from JCMHC to use for defendant TARTAGLIONE's personal benefit.

22. On or about the dates below, in the Eastern District of Pennsylvania, defendant

**RENEE TARTAGLIONE,**

for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce numerous signals and sounds including the sample of signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION OF WIRE
14	March 24, 2011	Interstate wire to clear check no. 6005 drawn on JCMHC's WSB account ending in 1831

<b>COUNT</b>	<b>DATE</b>	<b>DESCRIPTION OF WIRE</b>
15	January 8, 2013	Interstate wire to clear check no. 8443 drawn on JCMHC's HYP account ending in 4650
16	May 3, 2013	Interstate wire to clear check no. 8936 drawn on JCMHC's HYP account ending in 4650
17	September 20, 2013	Interstate wire to clear check no. 9537 drawn on JCMHC's HYP account ending in 4650
18	December 27, 2013	Interstate wire to clear check no. 9875 drawn on JCMHC's HYP account ending in 4650
19	January 24, 2014	Interstate wire to clear check no. 9977 drawn on JCMHC's HYP account ending in 4650
20	April 4, 2014	Interstate wire to clear check no. 10098 drawn on JCMHC's HYP account ending in 4650
21	August 1, 2014	Interstate wire to clear check no. 10210 drawn on JCMHC's HYP account ending in 4650
22	December 18, 2014	Interstate wire to clear check no. 10361 drawn on JCMHC's HYP account ending in 4650
23	January 9, 2015	Interstate wire to clear check no. 10416 drawn on JCMHC's HYP account ending in 4650
24	February 27, 2015	Interstate wire to clear check no. 10456 drawn on JCMHC's HYP account ending in 4650
25	July 31, 2015	Interstate wire to clear check no. 10634 drawn on JCMHC's HYP account ending in 4650

All in violation of Title 18, United States Code, Sections 1343 and 1349.

**COUNTS TWENTY-SIX THROUGH THIRTY-SEVEN**

(Theft from a Health Care Benefit Program)

**THE GRAND JURY FURTHER CHARGES THAT:**

23. Paragraphs 1 through 21 and 23 through 63 and Overt Acts 1 through 39 of Count One of this indictment and Paragraphs 4 through 17 of Count Two of this indictment are incorporated here.

24. From at least in or about May 2007, through at least in or about at least October 2015, in the Eastern District of Pennsylvania, and elsewhere, defendant

**RENEE TARTAGLIONE**

knowingly and willfully embezzled, stole, and without authority converted to the use of another person other than the rightful owner, and intentionally misapplied, the moneys, funds, property and other assets of Juniata Community Mental Health Clinic (JCMHC), a health care benefit program as defined in Title 18, United States Code, Section 24(b), and aided and abetted such embezzlement, theft, and conversion, by causing JCMHC to issue checks to pay excessively high rent and undue amounts to Norris Hancock, and causing JCMHC to issue checks to Persons 3, 4, 5, 6, 7 and 8 which were not for any legitimate purpose of JCMHC, including the sample issued on or about each of the dates listed below, each check constituting a separate count of this indictment:

COUNT	DATE	DESCRIPTION	AMOUNT
26	March 10, 2011	JCMHC check no. 5916 (excessive rent)	\$10,200
27	March 15, 2011	JCMHC check no. 5956 (undue amount)	\$15,000
28	March 24, 2011	JCMHC check no. 6005 (Person 4)	\$11,874
29	December 16, 2011	JCMHC check no. 6932 (excessive rent)	\$20,200

COUNT	DATE	DESCRIPTION	AMOUNT
30	April 5, 2012	JCMHC check no. 7418 (excessive rent)	\$20,200
31	April 5, 2012	JCMHC check no. 7226 (undue amount)	\$150,000
32	November 16, 2012	JCMHC check no. 8281 (undue amount)	\$20,200
33	May 3, 2013	JCMHC check no. 8936 (excessive rent)	\$12,000
34	December 27, 2013	JCMHC check no. 9875 (excessive rent)	\$24,000
35	December 18, 2014	JCMHC check no. 10361 (excessive rent)	\$12,000
36	January 9, 2015	JCMHC check no. 10416 (excessive rent)	\$12,000
37	February 27, 2015	JCMHC check no. 10456 (excessive rent)	\$12,000

All in violation of Title 18, United States Code, Sections 669 and 2.

**COUNTS THIRTY-EIGHT THROUGH FORTY-NINE**

(Theft from a Program Receiving Federal Funds)

**THE GRAND JURY FURTHER CHARGES THAT:**

25. Paragraphs 1 through 21 and 23 through 63 and Overt Acts 1 through 39 of Count One of this indictment and Paragraphs 4 through 17 of Count Two of this indictment are incorporated here.

26. From at least in or about May 2007, through at least in or about October 2015, in the Eastern District of Pennsylvania, and elsewhere, defendant

**RENEE TARTAGLIONE,**

being an agent of Juniata Community Mental Health Clinic (JCMHC), an organization which received, in any one year period, benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, guarantee, insurance, or other form of Federal assistance, embezzled, stole, obtained by fraud, and without authority knowingly converted to the use of another person other than the rightful owner, and intentionally misapplied, more than \$5,000 of the moneys, funds, property and other assets of JCMHC, and aided and abetted such embezzlement, theft, and conversion, by causing JCMHC to issue checks to pay excessively high rent and undue amounts to Norris Hancock, and causing JCMHC to issue checks to Persons 3, 4, 5, 6, 7 and 8 which were not for any legitimate purpose of JCMHC, including the sample issued on or about each of the dates listed below, each check constituting a separate count of this indictment:

COUNT	DATE	DESCRIPTION	AMOUNT
38	March 10, 2011	JCMHC check no. 5916 (excessive rent)	\$10,200
39	March 15, 2011	JCMHC check no. 5956 (undue amount)	\$15,000

COUNT	DATE	DESCRIPTION	AMOUNT
40	March 24, 2011	JCMHC check no. 6005 (Person 4)	\$11,874
41	December 16, 2011	JCMHC check no. 6932 (excessive rent)	\$20,200
42	April 5, 2012	JCMHC check no. 7418 (excessive rent)	\$20,200
43	April 5, 2012	JCMHC check no. 7226 (undue amount)	\$150,000
44	November 16, 2012	JCMHC check no. 8281 (undue amount)	\$20,200
45	May 3, 2013	JCMHC check no. 8936 (excessive rent)	\$12,000
46	December 27, 2013	JCMHC check no. 9875 (excessive rent)	\$24,000
47	December 18, 2014	JCMHC check no. 10361 (excessive rent)	\$12,000
48	January 9, 2015	JCMHC check no. 10416 (excessive rent)	\$12,000
49	February 27, 2015	JCMHC check no. 10456 (excessive rent)	\$12,000

All in violation of Title 18, United States Code, Sections 666 and 2.

**COUNT FIFTY**

(False Statement on Tax Return – Tartaglione 1040 for 2008)

**THE GRAND JURY FURTHER CHARGES THAT:**

27. On or about October 15, 2009, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**RENEE TARTAGLIONE**

willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant Tartaglione did not believe to be true and correct as to every material matter, in that the Form 1040 reported that her taxable income for the calendar year 2008 was the sum of \$177,879, whereas, as she knew and believed, her taxable income for the calendar year 2008 was higher than that sum. In fact, her taxable income for the calendar year 2008 was approximately \$246,000.

In violation of Title 26, United States Code, Section 7206(1).

**COUNT FIFTY-ONE**

(False Statement on Tax Return – Tartaglione 1040 for 2009)

**THE GRAND JURY FURTHER CHARGES THAT:**

28. On or about October 15, 2010, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**RENEE TARTAGLIONE**

willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Director, Internal Revenue Service, which defendant Tartaglione did not believe to be true and correct as to every material matter, in that the Form 1040 reported that her taxable income for the calendar year 2009 was the sum of \$173,439, whereas, as she knew and believed, her taxable income for the calendar year 2009 was higher than that sum. In fact, her taxable income for the calendar year 2009 was at least approximately \$195,000.

In violation of Title 26, United States Code, Section 7206(1).



**COUNT FIFTY-TWO**

(False Statement on Tax Return – Tartaglione 1040 for 2010)

**THE GRAND JURY FURTHER CHARGES THAT:**

29. On or about October 19, 2011, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**RENEE TARTAGLIONE**

willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Director, Internal Revenue Service, which defendant Tartaglione did not believe to be true and correct as to every material matter, in that the Form 1040 reported that her taxable income for the calendar year 2010 was the sum of \$201,915, whereas, as she knew and believed, her taxable income for the calendar year 2010 was higher than that sum. In fact, her taxable income for the calendar year 2010 was at least approximately \$328,000.

In violation of Title 26, United States Code, Section 7206(1).

**COUNT FIFTY-THREE**

(False Statement on Tax Return – Tartaglione 1040 for 2012)

**THE GRAND JURY FURTHER CHARGES THAT:**

30. On or about October 14, 2013, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**RENEE TARTAGLIONE**

willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Director, Internal Revenue Service, which defendant Tartaglione did not believe to be true and correct as to every material matter, in that the Form 1040 reported that her taxable income for the calendar year 2012 was the sum of \$209,034, whereas, as she knew and believed, her taxable income for the calendar year 2012 was higher than that sum. In fact, her taxable income for the calendar year 2012 was at least approximately \$394,000.

In violation of Title 26, United States Code, Section 7206(1).

## **NOTICE OF FORFEITURE**

### **THE GRAND JURY FURTHER CHARGES THAT:**

As a result of the violations of Title 18, United States Code, Sections 1341, 1343, 1349, 669 and 666 set forth in this indictment, defendant

### **RENEE TARTAGLIONE**

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offenses.

If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (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 divided without difficulty;

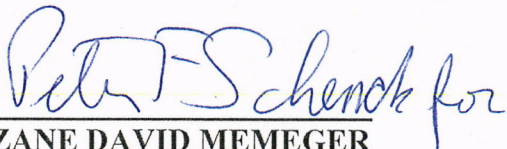
it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 962(b), both incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c), and Title 18,

United States Code, Sections 981(a)(1)(C) and 982.

**A TRUE BILL:**

**GRAND JURY FOREPERSON**

  
**ZANE DAVID MEMEGER**  
**United States Attorney**