

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

**UNITED STATES OF AMERICA**

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**CRIMINAL NO. 14-018**

**v.**

\*

**SECTION: “E”**

**RICHARD ZANCO**

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**FACTUAL BASIS**

Should this matter proceed to trial, both the Government and the defendant, **RICHARD ZANCO** (hereinafter “Defendant” or “**ZANCO**”) do hereby stipulate and agree that the following facts set forth a sufficient factual basis for the crimes to which the defendant is pleading guilty. Specifically, **ZANCO** has agreed to plead guilty as charged to the one-count Bill of Information pending against him, charging **ZANCO** with money laundering, in violation of Title 18, United States Code, Sections 1957 and 2. The Government and the defendant further stipulate that the Government would have proven, through the introduction of competent testimony and admissible, tangible exhibits, the following facts, beyond a reasonable doubt, to support the allegations in the Bill of Information now pending against the defendant:

Documentary evidence and eyewitness testimony would be introduced to prove that at all times material, **ZANCO** was a resident of Slidell, Louisiana, within the Eastern District of Louisiana.

The Government would present testimonial evidence, including testimony from special agents from the Internal Revenue Service (“IRS”) and Federal Bureau of Investigation (“FBI”), as well as documentary evidence, that in about May 2012, **ZANCO** became aware that his name and other personal identifying information had been used by someone other than he to open as Fidelity Investments (“Fidelity”) brokerage account bearing account number xxx-xxx850. At the time he learned about the accounts, **ZANCO** knew that someone other than he had opened the accounts in his name. **ZANCO** was further made aware that the brokerage account held multiple collateralized mortgage obligations (“CMOs”), a form of bond, that bore monetary value from interest generated and when, or if, they were sold. As a result, the CMOs held in the brokerage accounts did not belong to him, and he had no legal authority over the account and the CMOs contained within the account.

The Government would further establish, through the testimony of documentary evidence and testimony, that the CMOs were transferred into the Fidelity brokerage account by victims as the result of fraudulent representations made by one or more individuals other than **ZANCO**.

The Government would further present evidence, including the testimony of special agents with the IRS and FBI and employees of Fidelity, as well as documentary evidence, that beginning at a time unknown, but not later than March 2013, and continuing until about September 2013, **ZANCO** enacted a scheme to obtain access to the Fidelity brokerage account that held the CMOs, despite knowing that he did lacked authorization, consent, or legal title to the brokerage account. Relatedly, at the time **ZANCO** sought to access, and did, in fact, access

the accounts, he knew that accessing and/or exercising control over the brokerage account was fraudulent.

The Government would further present evidence, including the testimony of special agents with the IRS and FBI and employees of Fidelity and Capital One Investment Services (Capital One Investments), as well as documentary evidence, that after obtaining access to the Fidelity brokerage account **ZANCO** ordered the transfer and liquidation of the interest proceeds generated by the three (3) CMOs. **ZANCO** then arranged for the interest proceeds generated by the CMOs on a monthly basis to be sent via electronic transfer to other financial accounts under his custody and control located at various financial institutions including two accounts at Capital One Bank, N.A. bearing account numbers xxxxxxxx316 and xxxxxxxx718, and one account at E\*Trade Bank bearing account number xxxxx747.

The Government would further establish, through the testimony of representatives of Fidelity, Capital One Investments, and Capital One that **ZANCO** accomplished the liquidation of the interest proceeds from the CMOs and subsequent transfer of the proceeds to the Capital One Bank, N.A. and E\*Trade Bank accounts under his control by causing certain electronic signs and signals to be transmitted from locations inside the State of Louisiana to locations outside the State of Louisiana.

The Government would further present testimonial and documentary evidence from Fidelity, Capital One Investments, Capital One Bank, N.A., and E\*Trade Bank that after **ZANCO** obtained control of the Fidelity brokerage account, liquidated interest proceeds generated by the CMOs from the Fidelity brokerage account, and transferred the proceeds to other financial accounts under his control, **ZANCO** used the funds to engage in monetary

transactions, including the purchase of automobiles and one or more boats, from the accounts, on the dates, and in the approximate amounts listed below:

<b>Bank</b>	<b>Account</b>	<b>Date</b>	<b>Amount</b>
Capital One	x718	3/11/13	\$20,000.00
Capital One	x718	3/15/13	\$80,000.00
Capital One	x718	3/18/13	\$27,000.00
E*Trade	x747	4/9/13	\$12,300.00
E*Trade	x747	4/15/13	\$10,550.00
E*Trade	x747	4/23/13	\$10,500.00
Capital One	x718	5/8/13	\$17,400.00
Capital One	x718	6/25/13	\$13,310.00
Capital One	x316	7/18/13	\$20,000.00
Capital One	x316	7/22/13	\$30,000.00
Capital One	x316	7/26/13	\$23,172.04
Capital One	x316	7/29/13	\$25,500.00
Capital One	x316	8/21/13	\$14,514.65
Capital One	x316	8/23/13	\$25,500.00
Capital One	x316	9/19/13	\$14,252.13
<b>Total</b>			<b>\$343,998.82</b>

**ZANCO** engaged in the aforementioned financial transactions knowing that he lacked the authority to access or control the accounts. **ZANCO** further knew that the funds used to engage in the monetary transactions listed above were derived from unlawful activity, that is, wire fraud.

The above facts come from an investigation conducted by, and would be proven at trial by credible testimony from, Special Agents from the IRS and FBI, as well as employees of Fidelity, business records from Fidelity, Capital One Investments, Capital One Bank, N.A., and E\*Trade Bank, documents and tangible exhibits in the custody of the IRS and FBI, and the statements of the defendant, **RICHARD ZANCO**.

**APPROVED AND ACCEPTED:**

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RICHARD ZANCO	Date
Defendant	

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VINNY MOSCA, ESQ.	Date
(Louisiana Bar No. _____)	
Attorney for Defendant Zanco	

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JORDAN GINSBERG	Date
(Illinois Bar. No. 6282956)	
Assistant United States Attorney	