



**U.S. Department of Justice  
U.S. Attorney's Office  
Western District of Texas**

**John E. Murphy, Acting U.S. Attorney**

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**FOR IMMEDIATE RELEASE**

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**FORMER AUSTIN EMPLOYEE OF AMERICAN CANCER SOCIETY  
SENTENCED TO FEDERAL PRISON ON FRAUD CHARGES**

**John E. Murphy, Acting U.S. Attorney** announced that this morning in Austin, 50-year-old John Phillip Martin, formerly of Austin, was sentenced to 40 months in federal prison for stealing more than \$850,000 from his employer, the American Cancer Society (ACS).

United States District Judge Sam Sparks also ordered that Martin pay full restitution and be placed under supervised release for a period of three years after completing his prison term.

On April 3, 2009, Martin pleaded guilty to three counts of mail fraud. By pleading guilty, Martin admitted that while an ACS High Plains Division TeleResources employee from January 2005 to October 2008, he devised a scheme whereby he illegally obtained hundreds of mobile telephone devices from Sprint, then resold them and pocketed the proceeds. Under false pretenses, Martin placed orders with Sprint representatives for new mobile telephone devices, including Blackberry's and Treo's, while charging those orders to the ACS account. After receiving the phones, Martin sold them on the Internet, utilizing Ebay, without the authorization or knowledge of ACS. Furthermore, Martin admitted that he created fake Sprint cell phone statements which he mailed to ACS's Regional Division in Oklahoma City in order to conceal his fraudulent activity.

In September 2008, the High Plains Division of ACS eliminated four TeleResources positions, including Martin's. In early October 2008, a Sprint representative contacted ACS regarding an outstanding invoice in the amount of approximately \$119,000. A subsequent ACS internal audit uncovered Martin's scheme.

This case was investigated by the Federal Bureau of Investigation together with Internal Audit Services of the American Cancer Society. Assistant United States Attorney Sharon Pierce prosecuted this case on behalf of the government.

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