



## U.S. Department of Justice

### *United States Attorney Eastern District of Arkansas*

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### **FORREST CITY ATTORNEY INDICTED FOR SOCIAL SECURITY FRAUD**

**LITTLE ROCK** – Jane W. Duke, United States Attorney for the Eastern District of Arkansas, and Robert Feldt, Special Agent in Charge of the Social Security Administration - Office of the Inspector General, Dallas Division Office, announced today the indictment of Barry Michael Easley, age 62, and Marie Diane Douglas, age 61, both of Forrest City, Arkansas. The three-count indictment, which was returned today by a grand jury for the Eastern District of Arkansas, charges Easley and Douglas with one count of aiding and abetting social security fraud in violation of Title 42, United States Code, Section 408(a)(4) and Title 18, United States Code, Section 2, and with one count of aiding and abetting theft of government property in violation of Title 18, United States Code, Sections 641 and 2. Douglas is charged with one count of making a false statement in violation of Title 18, United States Code, Section 1001.

In August 2001, Douglas began receiving Social Security Disability Insurance Benefits. A year later, in August 2002, she began working for Easley, an attorney in Forrest City. As a part of her employment, she helped with cases involved in litigation related to the diet drug Fen-Phen. Because she was receiving Social Security disability payments, she was limited in the amount of wages she could earn. The indictment alleges that in order for Douglas not to make over the allotted amounts, portions of her salary were paid to other individuals for her benefit. In addition, Easley and Douglas caused a \$100,000 bonus paid to Douglas to be structured in such a way that it appeared it was part of a civil settlement. The total amount of overpayment received by Douglas from the Social Security Administration was in excess of \$57,000.

“The payment of Social Security Disability benefits is contingent upon an individual’s inability or diminished ability to earn wages because of physical or mental infirmity. To claim such benefits while simultaneously earning the amounts of wages and bonuses that Ms. Douglas did, is just fraudulent.” Duke added, “Circumventing the income limitations in the manner that was done here simply depletes the monies available in the benefit fund for those who desperately need assistance. Any employer should know that hiding income paid to employees from the Social Security Administration is wrong; certainly an employer who is also a practicing attorney should know this.”

The statutory penalty for the offenses involving aiding and abetting social security fraud and making a false statement is not more than five (5) years imprisonment and a fine of up to \$250,000. The statutory penalty for aiding and abetting theft of government property is not more than ten (10) years imprisonment and a fine of up to \$250,000.

The investigation was conducted by the Social Security Administration - Office of the Inspector General. It is being prosecuted by Assistant United States Attorney Karen Whatley.

An indictment contains only allegations. The defendants are presumed innocent unless and until proven guilty.

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