

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California***

***United States Attorney  
Laura E. Duffy***

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***For Immediate Release***

### **PROBATE TRUSTEE ADMITS TO SQUANDERING FUNDS AT CASINOS**

#### **NEWS RELEASE SUMMARY - February 18, 2011**

San Diego, CA - United States Attorney Laura E. Duffy announced that Teresa Laggner, a licenced private fiduciary and probate court trustee, entered a guilty plea today before U.S. District Court Judge Larry A. Burns. Laggner pleaded to one count of wire fraud and one count of money laundering, based on her defrauding trust beneficiaries (some of whom were elderly and/or disabled) and spending hundreds-of-thousands of dollars in misappropriated funds at local area casinos. Laggner is scheduled to be sentenced before Judge Burns on May 16, 2011 at 9:30 a.m.

According to court documents and admissions during her guilty plea, Laggner served as a trustee for numerous probate court and private trusts in San Diego from 2006 through 2011 and, as such, was required to use trust property solely for the benefit of trust beneficiaries. Acting in her capacity as a trustee, Laggner

opened numerous bank accounts with trust funds, and represented that she would conduct all transactions involving trust funds for the benefit of the respective trust beneficiaries. Laggner admitted, however, that from at least 2010 through 2011, she pilfered her clients' trust accounts by transferring large sums of money to her personal and business bank accounts. For example, between July and September 2010, Laggner transferred approximately \$191,500 from the D.E.A.S.C. Trust bank account to her personal and business accounts without authorization or the consent of trust beneficiaries.

In her guilty plea, Laggner admitted concealing the theft of these funds by: (1) drawing checks on her business and personal accounts payable to cash or to the Barona Casino in Lakeside, California; (2) withdrawing funds from automatic teller machines at Barona Casino and at casinos in Nevada; and (3) transferring funds to other personal and business bank accounts that she controlled. Between July 2010 and September 2010, Laggner transferred beneficiary funds through at least thirty-two cash withdrawals at casinos in both San Diego and Nevada (totaling over \$40,000) and twenty-four personal business checks (totaling over \$100,000) that she cashed at Barona Casino. Laggner then used the stolen funds to fuel, among other things, her gambling spree at Barona Casino. In 2010 alone, Laggner admitted gambling at Barona Casino on at least 165 different days. Unfortunately for herself and her clients, Laggner admitted sustaining gambling losses in excess of \$1million.

On January 20, 2011, federal prosecutors – in order to minimize the losses incurred by her clients -- filed a civil complaint against Laggner and moved for an injunction to prevent her from continuing to dispose of trust property under her control and to require an accounting of all dispositions. Judge Burns granted the Government's motion on January 26, 2011 and issued an order on February 16, 2011, precluding Laggner from transferring or disposing of any trust property, or property she obtained from trust accounts. Laggner was also ordered to provide accountings of the disposition of all trust property previously under her control by no later than May 18, 2011.

As part of her guilty plea, Laggner agreed to pay restitution for losses incurred by all victims between

January 20, 2006 and January 20, 2011, as a result of the fraudulent scheme. She also agreed to not act in any capacity as a licensed professional fiduciary under California law and to not utilize her professional fiduciary license in any capacity pending resolution of any California State Professional Fiduciaries Bureau disciplinary proceeding.

United States Attorney Duffy praised the investigative efforts of the United States Secret Service and Internal Revenue Service - Criminal Investigation, and thanked the Superior Court of San Diego, Probate Department, for its assistance in promptly reassigning trusts to substitute trustees.

**DEFENDANT**

**Case Number: 11cr0637LAB**

Teresa Laggner

**SUMMARY OF CHARGES**

Count 1	Title 18, United States Code, Section 1343 (Wire Fraud) Maximum penalties: 20 years of custody; \$1,000,000 Fine
Count 2	Title 18, United States Code, Section 1957 (Money Laundering) Maximum penalties: 10 years of custody; \$250,000 Fine

**AGENCIES**

United States Secret Service  
Internal Revenue Service - Criminal Investigation