

NEWS RELEASE



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

***United States Attorney
LAURA E. DUFFY***

Assistant U. S. Attorney Victor P. White, 619-546-8439

For Immediate Release

**CIVILIAN NAVY EMPLOYEE CHARGED WITH DEFRAUDING
U.S. GOVERNMENT OF \$400,000**

NEWS RELEASE SUMMARY - March 23, 2012

United States Laura E. Duffy announced the unsealing of a 16-count criminal indictment today charging Leray Shurn with mail fraud, wire fraud, false statements to obtain federal employee's compensation, and false statements to a government agency. Shurn was arraigned today in federal court before United States Magistrate Judge Jan M. Adler.

The indictment alleges that Shurn defrauded the Department of the Navy and the Department of Veterans Affairs of approximately \$400,000 by causing them to issue workers' compensation and disability benefit payments to which he was not entitled. According to the indictment, Shurn falsely represented to the Department of the Navy and Department of Veterans Affairs that back or knee injuries prevented him from working as a Navy civilian employee, and that he was not engaged in any employment where he received payment of any kind, was not self-employed, was not involved in any business enterprises, and did not have

an ownership interest in any business enterprise. The indictment alleges, however, that Shurn intentionally concealed from these agencies that, in fact, he was operating a landscaping business in which he personally performed landscaping work for numerous individuals, prepared written estimates and monthly bills, and collected payment for the landscaping services he and his employees rendered.

The defendant is scheduled to appear before United States District Judge Thomas J. Whelan on April 2, 2012 at 9:00 a.m. for motions hearing.

DEFENDANT

Case Number: 12CR1053-W

Leray Shurn

SUMMARY OF CHARGES

Counts: 16

Maximum Penalties:

Title 18, United States Code, Section 1341 - Mail Fraud	20 years' custody, \$250,000 fine
Title 18, United States Code, Section 1343 - Wire Fraud	20 years' custody, \$250,000 fine
Title 18, United States Code, Section 1920 - False Statement or Fraud to Obtain Federal Employee's Compensation	5 years' custody, \$250,000 fine
Title 18, United States Code, Section 1001 - False Statement to a Government Agency	5 years' custody, \$250,000 fine

INVESTIGATING AGENCIES

Naval Criminal Investigative Service

Department of Veterans Affairs Office of Inspector General

An indictment itself is not evidence that the defendant committed the crime charged. The defendant is presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.