

# ***NEWS RELEASE***



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

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

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***Assistant U. S. Attorneys Stephen P. Clark (619) 546-6761 or Rebecca S. Kanter (619) 546-7304***

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***For Immediate Release***

## **FORMER EL CAJON COUNCILWOMAN SENTENCED FOR EMBEZZLING MILLIONS**

**NEWS RELEASE SUMMARY** – December 3, 2012

Jillian Hanson-Cox, a former member of the El Cajon city council, was sentenced in federal court today by the Honorable Michael M. Anello to serve 30 months in custody, followed by two years of supervised release, for conducting a scheme to defraud her employer, and filing a false income tax return stemming from her employment at Century Design Inc. (CDI), in San Diego, California. Hanson-Cox also was ordered to pay restitution to CDI in the amount of \$3,653,152.95 and \$1,221,677 to the United States Treasury.

On September 14, 2012, Hanson-Cox pled guilty to a two-count felony information alleging that she stole approximately \$3.5 million from CDI and failed to report the income on her tax returns. According to court records, Hanson-Cox worked as CDI's Controller for most of the period between 2004 and 2008. She abused this position by writing unauthorized checks from CDI's business account to pay for her personal expenses (including her credit cards), and to pay for services and items related to her community activities. To conceal the fact that she had signed unauthorized CDI checks to pay businesses and vendors for her personal benefit, Hanson-Cox made false entries in CDI's books and records that reflected a different payee rather than the actual payee on the check. In total, she embezzled approximately \$3.5 million from April 2004 to October 2008. In connection with her guilty plea, Hanson-Cox admitted that, after embezzling these funds from CDI, she failed to report the income on her individual income tax returns for the years 2005, 2006, 2007 and 2008. As a result, the IRS lost more than \$1.2 million in tax revenue.

United States Attorney Laura E. Duffy emphasized that her Office will continue to vigorously investigate and prosecute criminal conduct committed by public officials. "I am dedicated to pursuing officials who engage in illegal activity, whether it is connected to their public office or private employment. While embezzling millions of dollars from CDI, former councilwoman Hanson-Cox not only traded on her reputation as a public official, but also betrayed every citizen who expected her to act honestly in both her private and public affairs."

United States Attorney Duffy also praised the efforts of the Federal Bureau of Investigation and IRS-Criminal Investigation for their prompt and professional investigation of the allegations against Hanson-Cox.

FBI Special Agent in Charge, Daphne Hearn, commented, "Ms. Hanson violated the trust of her employer and the people she served in the community. She unjustly enriched herself at the expense of

those who trusted her the most. The FBI is committed to pursuing those individuals who hide behind a facade of honesty and integrity and use their position of trust to unlawfully enrich themselves."

N. Dawn Mertz, Acting Special Agent in Charge of IRS-Criminal Investigation (IRS-CI) Los Angeles Field Office commented, "Elected officials are subject to the same tax laws as the rest of America. It is simply unacceptable for elected officials to break our tax laws. IRS-CI works to ensure that everyone pays their fair share of taxes and ensure that those who don't are held accountable. Status as an elected official will not protect you from prosecution."

During the events described above, Hanson-Cox also served part-time on the El Cajon City Council. She was elected to the City Council in 2004 and resigned on March 5, 2012, after FBI and IRS agents executed a search warrant at her home and office.

Judge Anello ordered the defendant to report to begin serving her sentence by January 14, 2013.

**DEFENDANT**      **Case Number: 12CR3763MMA**

Jillian Hanson-Cox

**SUMMARY OF CHARGES**

Count 1: Mail fraud, in violation of Title 18, United States Code, Section 1341

Count 2: Filing False Tax Return, in violation of Title 26, United States Code, Section 7206(1) –

**INVESTIGATING AGENCIES**

Federal Bureau of Investigation  
Internal Revenue Service - Criminal Investigation