

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA	*	CRIMINAL DOCKET NO. 10-170
v.	*	SECTION: "R"
ABIGAIL JOHN	*	

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FACTUAL BASIS

If this case were to proceed to trial, the government would prove by competent evidence beyond a reasonable doubt that defendant, **ABIGAIL JOHN**, was guilty of federal program fraud and embezzlement of federal program funds and mail fraud. The government would prove that **ABIGAIL JOHN** embezzled federal program funds received by the Louisiana Veterans Research and Education Corporation from the United States Department of Defense, and converted these funds to her own use, and committed mail fraud as charged in Counts 1 and 2 of the Indictment now pending against the defendant in the Eastern District of Louisiana.

The government would introduce admissible evidence, including records kept in the usual course of business, from the Department of Defense, United States Army, the office of the Louisiana Secretary of State, Capital One Bank, formerly Hibernia National Bank, Merrill Lynch, Vanguard, Taylor, Bean, Whitaker, Massachusetts Mutual, Brian Harris BMW, the Small Business Administration, and other documents and evidence, to prove the following facts.

Beginning on or before June, 2002, and continuing until September, 2006, **ABIGAIL JOHN**

was employed as a bookkeeper with the Louisiana Veterans Research and Education Corporation (LVREC), a non-profit corporation, in New Orleans, Louisiana. In 2002 and continuing through at least 2006, LVREC obtained federal grant program funds from the Department of Defense, United States Army, to conduct neuropsychological assessments on military troops before and after a major war-zone deployment, and particularly, to study neuropsychological outcomes of Iraq War deployment in a large military group. From 2003 until at least 2006, LVREC received over \$2,000,000 in federal program funds from the Department of Defense, United States Army, for the purpose of conducting these studies. In or prior to April 2003, LVREC received over \$10,000 in federal program funds and in both 2004 and 2005, it received over \$ 10,000; the last deposit of federal program funds in 2005 was on October 1, 2005 or later. The federal program funds which LVREC received from the United States Army were direct deposited by transfer from the United States Army to LVREC's accounts at Merrill Lynch.

Beginning in or about June 2002, and continuing through September 2006, **ABIGAIL JOHN**, while working as a bookkeeper for LVREC, embezzled a total of \$1,013,730.85 in federal program funds from LVREC, by writing 280 fraudulent and unauthorized checks on LVREC's Merrill Lynch accounts. **ABIGAIL JOHN** executed the scheme by writing unauthorized checks to herself and fraudulently placing the signatures of authorized signatories on the checks, writing fraudulent checks to other payees by fraudulently placing the signatures of authorized signatories on the checks and then fraudulently endorsing the checks and depositing the checks into her bank accounts at Hibernia National Bank, now Capital One Bank, or in at least one instance by cashing the unauthorized check, and by fraudulently writing checks for her benefit to her mortgage company and fraudulently placing the signatures of authorized signatories on the checks. At no time during

her employment at LVREC did **ABIGAIL JOHN** have signature authority on any LVREC account at Merrill Lynch.

ABIGAIL JOHN embezzled federal program funds from LVREC beginning on or about June 29, 2002, and continuing through on or about August 30, 2006; she embezzled \$5,000.00 or more after July 19, 2005. For example, **ABIGAIL JOHN** wrote fraudulent checks, one in the amount of \$3,300.00 on July 21, 2005, and one in the amount of \$3,200.00 on August 1, 2005, on LVREC's Merrill Lynch accounts and deposited them into her personal accounts. On August 22, 2005, **ABIGAIL JOHN** embezzled \$5,500.00 by writing an unauthorized check in the amount of \$5,500.00 on an LVREC Merrill Lynch account and deposited the check into her personal account.

In furtherance of the scheme to defraud and to obtain \$ 1,013,730.85 in funds from LVREC, which it had obtained through Department of Defense grants, **ABIGAIL JOHN** deposited the unauthorized LVREC Merrill Lynch checks into her various Hibernia National Bank accounts through Automatic Teller Machine deposits, often making more than one ATM deposit on the same day and on several days during the same week and often making the deposits at more than one ATM machine per day and per week.

In August and September 2006, when an LVREC Board member requested a copy of an independent audit of LVREC, **ABIGAIL JOHN**, in an effort to further the scheme to defraud, reported that the audit was delayed and would be completed at a later time and provided the LVREC board member with a copy of a 2003 audit which she represented had been prepared by an auditing firm. In fact, the auditing firm was not conducting any audit in 2005 and 2006 for LVREC, and had not conducted an audit of LVREC in 2003. Despite the fact that the auditing firm was not conducting an audit of LVREC in 2005 and 2006, **ABIGAIL JOHN** fraudulently wrote checks

totaling \$54,682.68 to the audit firm and fraudulently endorsed them and deposited them into her own Hibernia National Bank accounts.

In furtherance of her scheme to defraud, **ABIGAIL JOHN** routinely transferred funds she had embezzled from LVREC into and out of her Hibernia National Bank accounts which she opened and maintained in New Orleans, Louisiana, and into accounts she had opened in her own name at Massachusetts Mutual and at the Vanguard Group in Philadelphia, Pennsylvania, by mail and by electronic wire transfer.

In executing the scheme to defraud, on or about December 30, 2006, **ABIGAIL JOHN** sent by certified mail from her address at 7168 Parkside Court, New Orleans, Louisiana, a \$200,000.00 check by C.M. Life payable to her and endorsed by her for deposit into her Vanguard account, said funds being ones which she embezzled from LVREC. **ABIGAIL JOHN** deposited the check in the United States Mail in New Orleans, Louisiana, to be delivered by the United States Postal Service to The Vanguard Group in Philadelphia, Pennsylvania.

With the embezzled funds, **ABIGAIL JOHN** purchased two BMW automobiles, made substantial deposits in her accounts and transferred funds by mail and by wire to other accounts, and

used the embezzled funds for her own benefit toward home-related expenditures for her home at 7168 Parkside Court in New Orleans, Louisiana.

CAROL L. MICHEL
Assistant U.S. Attorney
La. Bar Roll No. 14226

Date

SAMUEL J. SCILLITANI, JR.
Asst. Federal Public Defender

Date

ABIGAIL JOHN
Defendant

Date