

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NO. 09-_____**
v. : **DATE FILED: January , 2009**
SUSAN RUSSELL : **VIOLATIONS:**
: **18 U.S.C. § 1343 (wire fraud – 2 counts)**
: **18 U.S.C. § 1957 (money laundering -**
: **2 counts)**

INFORMATION

COUNTS ONE AND TWO

THE UNITED STATES ATTORNEY CHARGES THAT:

BACKGROUND

At all times material to this information:

1. Ophthalmic Associates (“OA”) was an ophthalmology practice with offices in Lansdale and Fort Washington, Pennsylvania, in the Eastern District of Pennsylvania.
2. Defendant SUSAN RUSSELL was the business manager for OA and worked in OA’s Lansdale office. In this position, defendant RUSSELL was responsible for the financial aspects of the practice, including paying the bills of OA and handling the payroll. Defendant RUSSELL reported to the group of medical doctors who, as partners, owned the practice.
3. For her services as the business manager, OA agreed to pay defendant SUSAN RUSSELL an hourly rate of approximately \$45 per hour.
4. OA used a payroll service, Paychex, Inc. (“Paychex”), to issue payments to its employees. Defendant SUSAN RUSSELL maintained complete control over the payroll

system at OA and advised Paychex each pay period how much to pay each OA employee, including herself.

THE SCHEME

5. From in or about January 2004 through in or about October 2007, defendant

SUSAN RUSSELL

devised and intended to devise a scheme to defraud Ophthalmic Associates and obtain money and property of Ophthalmic Associates by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme that:

6. Defendant SUSAN RUSSELL falsely inflated the number of hours that she worked and then submitted fraudulent information to Paychex about those hours. As a result of these fraudulent submissions, OA paid defendant RUSSELL well in excess of what she was entitled to receive.

7. Although defendant SUSAN RUSSELL worked in OA's offices approximately 10 hours per day, four days per week (and worked some additional hours at home), defendant RUSSELL submitted false payroll information to Paychex reflecting that she worked between 22 and 32 hours per day, seven days per week, or approximately 8,000 to 9,000 hours per year.

8. Based on this false and fraudulent information that defendant SUSAN RUSSELL submitted to Paychex, defendant SUSAN RUSSELL caused OA to pay her the

following approximate annual income: \$361,000 in 2004; \$391,000 in 2005; \$414,000 in 2006; and \$403,000 in 2007 (for work performed until early October 2007).

9. To conceal this fraud scheme from the OA partners, defendant SUSAN RUSSELL listed her income in approximately 17 different employment categories in OA's financial records, when her pay should have been listed only in the category of "business manager."

10. Defendant SUSAN RUSSELL further concealed this fraud scheme from the OA partners by paying some of OA's bills with her personal credit card and making secret "loans" to OA when funding for the partnership's expenses was running low, due at least in part to defendant RUSSELL's fraud scheme. When funds from OA became available, defendant RUSSELL reimbursed herself with OA's funds. Defendant RUSSELL did not disclose this financial activity to the OA partners.

11. Defendant SUSAN RUSSELL further concealed this fraud scheme from the OA partners when she attempted to explain the luxurious lifestyle that she was enjoying with the funds that she obtained through this fraud scheme. Defendant RUSSELL told the doctors, with whom she had a social relationship, that her husband was the beneficiary of a trust fund that financed their lifestyle when, in fact, there was no such trust fund.

12. As a result of this fraud scheme, defendant SUSAN RUSSELL caused OA to pay her at least \$783,000 in income to which she was not entitled.

13. As a further result of this fraud scheme, defendant SUSAN RUSSELL caused OA to incur tens of thousands of dollars in bank overdraft charges due to shortfalls in the accounts of OA that were used to pay the expenses of OA.

THE WIRES

14. On or about each of the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendant

SUSAN RUSSELL,

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION
ONE	3/30/06	Wire of fraudulent payroll information for RUSSELL stating that she worked 160 hours during the applicable two-week pay period sent from the Paychex in Valley Forge, PA to the Paychex Electronic Networks System Department in Rochester, New York.
TWO	3/13/07	Wire of fraudulent payroll information for RUSSELL stating that she worked 160 hours during the applicable two-week pay period sent from the Paychex in Valley Forge, PA to the Paychex Electronic Networks System Department in Rochester, New York.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS THREE AND FOUR

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 13 of Counts One and Two are incorporated here.
2. On or about the dates set forth below, in the Eastern District of

Pennsylvania and elsewhere, defendant

SUSAN RUSSELL

knowingly engaged in, and aided and abetted, monetary transactions affecting interstate commerce in criminally derived property of a value greater than \$10,000, described more fully below, and such property was derived from a specified unlawful activity, that is wire fraud, in violation of Title 18, United States Code, Section 1343.

COUNT	DATE	DESCRIPTION
THREE	12/4/06	Making tuition payment of approximately \$20,943.50 to Villanova University with check number 3722 drawn on RUSSELL's account at First Service Bank, a division of National Penn Bank.
FOUR	8/13/07	Making tuition payment of approximately \$21,780.00 to Villanova University with check number 4041 drawn on RUSSELL's account at First Service Bank, a division of National Penn Bank.

All in violation of Title 18, United States Code, Sections 1957 and 2.

LAURIE MAGID
Acting United States Attorney