

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. 09- ____
v.	:	DATE FILED:
LAMUNDA NICHOLS	:	VIOLATION:
	:	18 U.S.C. § 641 (conversion of government funds – 1 count)
	:	18 U.S.C. § 981 (criminal forfeiture)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

BACKGROUND

At all times material to this information:

1. Defendant LAMUNDA NICHOLS was the owner and operator of Lamunda’s Manor, Inc., a boarding home complex located at 912-922 Locust Ave., Philadelphia, PA, which included approximately 40 rooms spread across two floors and a basement. Lamunda Manor, Inc., is a Pennsylvania corporation that was incorporated in June 2000.

2. The Social Security Administration (“SSA”), an agency of the United States, administers, among other things, two benefits programs that are based on an applicant’s disability: the Disability Insurance Benefits (“DIB”) program and the Supplemental Security Income (“SSI”) program, pursuant to Title 42, United States Code, Sections 401-433 and Sections 1381-1383f, respectively. To be eligible for DIB or SSI, an applicant must be disabled from all substantial gainful activity due to a physical or mental impairment which can be expected to result in death or which has lasted for a continuous period of at least twelve months.

3. A representative payee is an individual approved by SSA to manage a beneficiary's funds to ensure that their basic human needs, including food, clothing and shelter, are met. Representative payees occupy important positions of trust and are obligated by law to ensure that federal funds intended for vulnerable Americans with severe mental and physical disabilities are properly spent for their care and benefit.

4. Prior to being approved as a representative payee, an individual must complete an application, is advised of the specific rules and responsibilities associated with the position, and must expressly agree to abide by those rules and responsibilities.

5. The representative payee is required to report any changes in the beneficiary's status to SSA in a timely fashion. Such changes include, among others, the following:

- a. A change in the beneficiary's address;
- b. The beneficiary starts or stops working;
- c. A disabled beneficiary's medical condition improves;
- d. The beneficiary is incarcerated for a crime that carries a sentence of more than one month;
- e. The beneficiary dies; and/or
- f. The representative payee is no longer responsible for the beneficiary.

6. In September 2007, after revoking her license to operate as a personal care home, the Pennsylvania Department of Public Welfare (DPW) provided defendant LAMUNDA NICHOLS with written notice to cease the operation of Lamunda's Manor as a personal care home. The revocation decision was based on, among other factors, infrequent laundering of

residents' clothing and linens, loose handrails on wooden and metal fire escapes, furniture in disrepair, the presence of flies and roaches, dirty bathtubs and toilet seats, and fly strips in the kitchen.

7. Defendant LAMUNDA NICHOLS' appeal of this decision was dismissed on November 19, 2007. During November 2007, the Pennsylvania Department of Public Welfare (DPW) relocated many of the residents who were residing at Lamunda's Manor to other locations.

THE SCHEME TO STEAL SSA FUNDS

8. Despite the fact that DPW revoked her license to operate a personal care home and ordered her to cease operations, from in or about November 2007 until in or about July 2009, a number of Social Security Administration ("SSA") beneficiaries with serious mental and physical disabilities resided for periods of time at Lamunda's Manor, and were allegedly under the care of defendant LAMUNDA NICHOLS. They included, among others, the following persons, identified for purposes of this information as A.B., D.B., M.B., R.C., R.C., L.D., E.G., T.H., C.K., A.R., J.R., S.B., F.D., M.D., D.M., and A.S.

9. Defendant LAMUNDA NICHOLS was appointed as a representative payee for several of these beneficiaries, including A.B., D.B., M.B., R.C., R.C., L.D., E.G., T.H., C.K., A.R. and J.R. Each was completely dependent on defendant NICHOLS for their food, clothing, and shelter.

10. As a condition of receiving SSA benefit checks intended for the care and use of beneficiaries with serious mental and physical infirmities, defendant LAMUNDA NICHOLS completed and signed representative payee applications in which she expressly agreed to abide by all of the rules and responsibilities associated with her status as representative

payee, including a requirement that she notify SSA of any changes in beneficiary status in a timely fashion.

11. Despite her express agreement with and acceptance of these rules and responsibilities, defendant LAMUNDA NICHOLS deliberately and continually violated them in order to enrich herself at the expense of SSA and the vulnerable citizens who were placed in her care.

12. Defendant LAMUNDA NICHOLS failed to notify SSA when beneficiaries for whom she was receiving SSA funds as a representative payee changed addresses and were no longer residing at Lamunda's Manor, including the following persons: A.B., D.B., R.C., R.C., L.D., E.G., T.H., C.K., A.R., and J.R.

13. Defendant LAMUNDA NICHOLS failed to notify SSA that M.B. was incarcerated for many months, instead keeping M.B.'s SSA benefit checks for herself while this individual was in prison.

14. Defendant LAMUNDA NICHOLS failed to notify SSA that she was no longer responsible for the care of A.B., D.B., R.C., R.C., L.D., E.G., T.H., C.K., A.R., and J.R., and that their checks should be sent to their new representative payees. Rather than comply with her obligations as representative payee to safeguard SSA funds and ensure that they are used for the care and benefit of SSA beneficiaries in her care, defendant NICHOLS instead continued to fraudulently cash these beneficiaries' checks and convert the funds for her own personal use and benefit.

15. Beginning in approximately July 2007 and continuing thereafter until approximately July 2009, in direct violation of her obligations as a representative payee who received SSA funds, defendant LAMUNDA NICHOLS failed to keep any records to record and

properly account for the receipt and disposition of the federal funds she received on behalf of the beneficiaries in her care.

16. As explained above, defendant LAMUNDA NICHOLS deliberately failed to notify SSA that beneficiaries for whom she had been receiving and cashing SSA benefits checks had moved away and were no longer in her care. Their monthly SSA benefits checks should have been directed to the new representative payees for these beneficiaries. However, with respect to more than \$50,000 of checks summarized in the chart below, they were not. Instead, defendant NICHOLS endorsed and cashed these checks for herself, in many cases forging the signature of beneficiaries before cashing their checks:

Beneficiary	Date(s) No Longer Residing at Lamunda's Manor	Amount of SSA Benefits Stolen by Defendant Lamunda Nichols
A.B.	12/7/07	\$504.30 (Benefits for December 2007)
D.B.	2/27/08	\$5,187.00 (Benefits for March through September, 2008)
M.B.	Incarcerated from 11/19/05 through 3/24/06 and 12/22/07 through 3/4/08	\$2906.00 (Benefits for December 2005 through March 2006 and January 2008 through February 2008)
R.C.	12/3/07	\$3000.74 (Benefits for December 2007 through February 2008)
R.C.	12/7/07	\$1779.90 (benefits for December 2007 through February 2008)
L.D.	12/7/07	\$1062.00 (Benefits for December 2007)

E.G.	12/07	\$1719.90 (Benefits for December 2007 and July through August 2008)
T.H.	11/12/07	\$6911.90 (Benefits for November 2007 through June 2008)
C.K.	11/07	\$14,125.60 (Benefits for November 2007 through April 2009)
A.R.	12/11/07	\$2186.60 (SSI and SSA Benefits for December 2007 and January 2008)
J.R.	3/08	\$11,088.00 (Benefits for March 2008 through July 2009)

17. From in or about November 2007 through in or about July 2009, in Philadelphia, in the Eastern District of Pennsylvania, defendant

LAMUNDA NICHOLS

knowingly stole and converted to her own use money of the United States in excess of \$1,000, that is, approximately \$50,471.94 of DIB and SSI payments that were intended for residents of Lamunda's Manor.

In violation of Title 18, United States Code, Section 641.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY CHARGES THAT:

1. As a result of the violation of Title 18, United States Code, Section 641, set forth in this information, defendant

LAMUNDA NICHOLS

shall forfeit to the United States of America:

- a. any property used or intended to be used, in any manner or part, to commit, or to facilitate the commission such offense; and
- b. any property constituting, or derived from, any proceeds obtained directly or indirectly from the commission of such offense.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461©, incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant(s) up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461©, and Title 18, United States Code, Section 981(a)(1)©.

/s/ Michael L. Levy
MICHAEL L. LEVY
United States Attorney