

U.S. DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

2022 FEB 11 P 1:59

CAROL L. MIGNON
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

INDICTMENT FOR CONSPIRACY TO
COMMIT STUDENT LOAN FRAUD

UNITED STATES OF AMERICA

*

CRIMINAL DOCKET NO.

22-00026

v.

*

SECTION:

SECT. 1 MAG. 3

ROBERT CHARLES JOHN

*

VIOLATIONS: 18 U.S.C. § 371

20 U.S.C. § 1097(a)

*

* * *

The Grand Jury charges that:

COUNT 1

A. AT ALL MATERIAL TIMES HEREIN:

1. The Department of Education (the "DOE") is an agency of the United States established to ensure equal access to education and to promote education throughout the United States. One of the primary responsibilities of the DOE is oversight and administration of Federal Student Aid ("FSA") Programs authorized by the Higher Education Act of 1965 to assist qualified students in obtaining post-secondary education.

2. The DOE operates, administers, and regulates various FSA programs, including the federal Pell Grant Program. The federal Pell Grant Program provides grants to eligible students in USA

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need of financial assistance to pursue post-secondary education at participating institutions. Pell Grants are made using DOE funds and are provided to students for educational purposes and do not have to be repaid. Pell Grants are awarded to students who have not yet earned a bachelor or professional degree.

3. The DOE also operates, administers, and regulates the Federal Direct Loan Program. Education loans obtained through the Federal Direct Loan Program are made directly from the DOE to students and are administered by the DOE. Under the FSA Programs, students must meet the following criteria to be eligible to receive federal financial aid:

- a. Have financial need, except for some loan programs;
- b. Have a high school diploma, General Education Development (“GED”) certification or High School Equivalency Degree;
- c. Be enrolled or accepted for enrollment as a regular student at an accredited school working toward a degree or certificate in an eligible program;
- d. Be a United States citizen or an eligible non-citizen;
- e. Have a valid Social Security Number;
- f. Sign a statement on the Free Application for Federal Student Aid (“FAFSA”) certifying that federal student aid will only be used for educational purposes;
- g. Make satisfactory academic progress;
- h. Sign a statement on the FAFSA certifying that no federal student loans are in default; and
- i. Register with the Selective Service, if required.

4. Information provided by an applicant on the FAFSA form is used to calculate an applicant's Expected Family Contribution toward college costs. Financial Aid Administrators at the applicant's school of choice determine the applicant's need for federal student aid from the DOE and other sources of assistance by subtracting the Expected Family Contribution from the applicant's cost of attendance.

5. The FAFSA can be completed online. The student must apply for a Personal Identification Number ("PIN") to complete the FAFSA online. The student certifies that they are the person using the PIN, and that the funds received will be used for educational purposes only.

6. An applicant must read the following warning listed on the FAFSA application before signing and submitting the completed form:

If you are the student, by signing this application you certify that you (1) will use federal and/or state student financial aid only to pay the cost of attending an institution of higher education, (2) are not in default on a federal student loan or have made satisfactory arrangements to repay it, (3) do not owe money back on a federal student grant or have made satisfactory arrangements to repay it, (4) will notify your college if you default on a federal student loan and (5) will not receive a Federal Pell Grant from more than one college for the same period of time.

If you are the parent or the student, by signing this application you certify that all of the information you provided is true and complete to the best of your knowledge and you agree, if asked, to provide information that will verify the accuracy of your completed form. This information may include U.S. or state income tax forms that you filed or are required to file. Also, you certify that you understand that the Secretary of Education has the authority to verify information reported on this application with the Internal Revenue Service and other federal agencies. If you sign any document related to the federal student aid programs electronically using a personal identification number (PIN), you certify that you are the person identified by the PIN and have not disclosed that PIN to anyone else. If you purposely give false or misleading information, you may be fined up to \$20,000, sent to prison, or both.

If you or your family paid a fee for someone to fill out this form or to advise you on how to fill it out, that person must complete this part.

7. The Central Processing System is the automated system used by the DOE to process all applications for federal student aid, calculate financial aid eligibility, and notify applicants of the results of the eligibility calculation, including a student's Expected Family Contribution, via a Student Aid Report. The Student Aid Report contains the Expected Family Contribution and all the information listed on the FAFSA.

8. The Student Aid Report is mailed to the student, or an e-mail notification is sent to the student with a link to access the Student Aid Report over the internet. The applicant is instructed to verify that the information in the Student Aid Report is accurate and to make any changes if needed.

9. The information generated from the Student Aid Report is then placed into an Institutional Student Information Record for the student. The student has an opportunity to correct this information online. The Institutional Student Information Record is then sent to the school the student seeks to attend. After the Institutional Student Information Record is processed, the school determines the student's eligibility for financial aid.

10. All schools that receive FSA program funds obtain the funds through the DOE's G5 payment system. The school requests financial aid funds from the DOE, and the G5 payment system deposits the funds in the school's designated Title IV bank account(s). The school then credits the funds to the student's financial aid account.

11. If the amount of federal financial aid received by the school exceeds the cost of attendance for a particular student—creating an FSA credit balance—the school must pay the credit balance directly to the student or parent as soon as possible, but no later than 14 days after the date the balance occurred on the student's account, if the balance occurred after the first day of class of a payment period, or the first day of classes of the payment period if the credit balance

occurred on or before the first day of class of that payment period. Payment of a credit balance to the student is often called a Title IV refund or credit refund. Credit refunds are often paid via direct deposit to an account of the student's choosing. A school can also pay a credit refund by making the credit balance available through a school-issued stored-value card, over which the school exercises control, such as a debit card issued by BankMobile. A BankMobile debit card issued to the student can be used to access the credit refund.

12. Funds received by a student under the FSA Programs must be used for an educational purpose and can be used to satisfy tuition and fees charged by the institution and other expenses incurred by the student to pursue an education program, such as books, supplies, transportation, and living expenses.

13. Nunez Community College and Delgado Community College were both educational institutions in the Eastern District of Louisiana that participated in the DOE's FSA programs.

14. **ROBERT CHARLES JOHN** ("JOHN") resided in the town of St Bernard, Louisiana, in St. Bernard Parish, which is in the Eastern District of Louisiana.

15. Applicants 1 through 7 were friends and associates of **JOHN** or friends and associates of other applicants.

B. THE CONSPIRACY:

Beginning at a time unknown to the Grand Jury, but at least in or around May 2017, through on or about July 10, 2018, in the Eastern District of Louisiana and elsewhere, **JOHN**, and others known and unknown to the Grand Jury, did knowingly and willfully combine, conspire, confederate, and agree to commit offenses against the United States of America, that is: to knowingly and willfully embezzle, misapply, steal, obtain by fraud, false statement, and forgery,

funds, assets, and property provided and insured under subchapter IV of Chapter 28 of United States Code Title 20, and part C of subchapter I of Chapter 34 of United States Code Title 42, in violation of Title 20, United States Code, Section 1097(a).

C. PURPOSE OF THE CONSPIRACY:

The purpose of the conspiracy was for the defendant, **JOHN**, and others known and unknown to the Grand Jury, to submit fraudulent applications for FSA funds, obtain money from the DOE through fraudulent loan and grant disbursements, and use the money for purposes unrelated to education.

D. OVERT ACTS:

JOHN, and others known and unknown to the Grand Jury, committed overt acts in furtherance of the conspiracy. These overt acts include, among others, the following:

1. **JOHN** and his coconspirators, both known and unknown to the Grand Jury, entered into an agreement to commit student aid fraud by submitting false applications for FSA loans and grants. **JOHN** knew that the applicants did not qualify for the FSA loans and grants, because some of them did not have a high school diploma, GED, or high school equivalent, and none of them intended to attend or enroll in the educational institutions in pursuit of a degree. Instead, **JOHN** and the other applicants only intended to obtain funds through the FSA's loan and grant programs for purposes unrelated to education or its associated costs, with no intent to repay the loans.

2. **JOHN**, and others known and unknown to the Grand Jury, obtained loans and grants from the DOE in connection with applications for the school years and institutions listed below:

Applicant	Award Years	School(s)	Loans Disbursed	Grants Disbursed
Applicant 1	2017/2018, 2018/2019	Delgado Nunez	\$13,498.00	\$5,920.00
Applicant 2	2017/2018	Nunez	\$7,251.00	\$5,920.00

Applicant 3	2017/2018	Delgado	\$8,340.00	\$3,634.34
Applicant 4	2017/2018	Delgado	\$6,340.00	\$3,700.00
Applicant 5	2017/2018	Delgado	\$8,340.00	\$3,089.76
Applicant 6	2018/2019	Nunez	\$1,781.00	\$2,155.00
Applicant 7	2018/2019	Nunez	\$2,322.00	\$2,285.00

3. In furtherance of the conspiracy to commit student aid fraud, **JOHN**, and others known and unknown to the Grand Jury, submitted fraudulent FAFSA forms to the DOE on or about the dates listed below:

Applicant	Award Years	School(s)	Date Submitted
Applicant 1	2017/2018, 2018/2019	Delgado Nunez	05/25/2017 11/20/2017
Applicant 2	2017/2018	Nunez	07/19/2017
Applicant 3	2017/2018	Delgado	11/22/2017
Applicant 4	2017/2018	Delgado	11/25/2017
Applicant 5	2017/2018	Delgado	12/07/2017
Applicant 6	2018/2019	Nunez	05/13/2018
Applicant 7	2018/2019	Nunez	05/30/2018

4. For Applicant 1's FAFSA described above, the mailing address, email address, and phone number did not belong to Applicant 1. The mailing address listed in St. Bernard, LA, was **JOHN's**.

5. For Applicant 2's FAFSA described above, the application falsely stated that Applicant 2 was eligible for community college, even though Applicant 2 never finished high school, obtained a GED, or high school equivalent.

6. For Applicant 3's FAFSA described above, the mailing address and email address did not belong to Applicant 3. The mailing address listed in St. Bernard, LA, was **JOHN's**.

7. For Applicant 4's FAFSA described above, the mailing address, email address, and phone number did not belong to Applicant 4. The mailing address listed in St. Bernard, LA, was **JOHN's**.

8. For Applicant 5's FAFSA described above and the MPN submitted in Applicant 5's name, the email address did not belong to Applicant 5.

9. For Applicant 6's FAFSA described above, the application falsely stated that Applicant 6 was eligible for community college, even though Applicant 6 never finished high school, obtained a GED, or high school equivalent. The mailing address, email address, and phone number reported on Applicant 6's FAFSA did not belong to Applicant 6. The mailing address in St. Bernard, LA, was **JOHN's**.

10. For Applicant 7's FAFSA described above, the mailing address, email address, and phone number did not belong to Applicant 7. The mailing address in Alexandria, LA, was **JOHN's**.

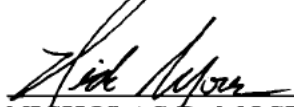
11. None of the seven applicants attended college, and each earned a 0.0 grade point average at the schools in which they were enrolled.

All in violation of Title 18, United States Code, Section 371.

A TRUE BILL:


FOREPERSON

DUANE A. EVANS
UNITED STATES ATTORNEY


NICHOLAS D. MOSES
Assistant United States Attorney

New Orleans, Louisiana
February 11, 2022