



# Department of Justice

United States Attorney Channing D. Phillips  
District of Columbia

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## **FORMER EXECUTIVE DIRECTOR OF MILITARY CHARITY INDICTED FOR FRAUD AND TAX EVASION**

### *Defendant Accused of Stealing from Charity, Defrauding Donors, Lying to IRS*

WASHINGTON – The former executive director of the Armed Forces Foundation was indicted today on federal charges stemming from a scheme in which she allegedly stole from the non-profit charity, defrauded donors, and lied to the Internal Revenue Service (IRS) and the public about her salary and benefits.

The indictment was announced by U.S. Attorney Channing D. Phillips for the District of Columbia, Assistant Director Paul M. Abbate in Charge of the FBI's Washington Field Office and Special Agent in Charge Thomas Jankowski of the Washington Field Office of the IRS-Criminal Investigation.

Patricia Pauline Driscoll, 38, of Ellicott City, Maryland, will be arraigned at a later date in the U.S. District Court for the District of Columbia. She was named in an indictment charging her with two counts each of wire fraud, mail fraud and tax evasion and one count of attempts to interfere with administration of Internal Revenue laws, all federal offenses. She also was charged with first-degree fraud, a District of Columbia offense. The indictment also includes a forfeiture allegation seeking all proceeds that can be traced to the alleged fraud scheme.

According to the indictment, until July 2015, Driscoll was the executive director of the Armed Forces Foundation, a tax-exempt non-profit charity based in Washington, D.C. The foundation's stated mission is to protect and promote the physical, mental and emotional wellness of military service members, veterans and their families.

While Driscoll was the executive director, in its promotions and requests for money, the Armed Forces Foundation claimed that 94 - 96 percent of all donations went directly to military members and their families through the charity's programs. As a "highly compensated individual," Driscoll's salary and benefits were required to be disclosed on forms (Form 990) to be filed each year with the IRS. These publicly available documents are often used by charity

watch groups and donors to judge worthiness of the charity and by the IRS to determine whether the organization was operating with IRS law and regulations.

The indictment alleges that Driscoll caused false reports to be filed on the Form 990s in a number of ways. She is accused, for example, of failing to include the fact that she received commissions from fundraising, the amounts of commissions that she received from fundraising and the other benefits that she received. Driscoll also is accused of falsely categorizing and causing others to falsely categorize expenses in the Armed Forces Foundation's books and records as being for the benefit of the veterans, troops and their families, when, in fact, they were for her own private benefit. Driscoll also is accused of concealing from the foundation's accountants the money she took from the charity, such as rent that was paid for the use of office space in a building that she co-owned. Additionally, she is accused of falsely reporting and causing others to falsely report the amount of donations received by the foundation on Form 990s, by inflating the amounts of donations, incorrectly listing the types of donations and including donors who did not, in fact, actually donate. The indictment further alleges that Driscoll sent false and fraudulent Form 990s to members of the foundation's Board of Directors and to the IRS and caused to be published Form 990s, containing false and fraudulent information, on the foundation's website, knowing that they would be available and viewed by charity watch groups, potential donors and others.

The indictment also alleges that Driscoll took the foundation's money for her own personal use and to pay her for-profit business expenses. Finally, the indictment charges tax evasion for tax years 2012 and 2013.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until, and unless, proven guilty.

In announcing the charges, U.S. Attorney Phillips, Assistant Director in Charge Abbate and Special Agent in Charge Jankowski commended the work performed by Special Agents from the FBI and the IRS. They also acknowledged the efforts of those working at the U.S. Attorney's Office, including former Paralegal Specialist Corinne Kleinman; Paralegal Specialist Kaitlyn Kruger; Information Technology Specialist Leif Hickling; Litigation Technology Supervisor Josh Ellen and Assistant U.S. Attorney Diane Lucas, of the Asset Forfeiture and Money Laundering Section. Finally, they expressed appreciation for the work of Assistant U.S. Attorney Virginia Cheatham, who is prosecuting the case.

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