

FILED
UNITED STATES DISTRICT COURT
ALBUQUERQUE, NEW MEXICO

**IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF NEW MEXICO**

JAN 23 2002 *mjg*

Robert M. ...
CLERK

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
vs.)
)
FLAVIA BOLOURCHI,)
)
Defendant.)

CRIMINAL NO. 02-CR-93
18 U.S.C. § 1341: (Mail Fraud); 18 U.S.C.
2314 (interstate transportation of stolen
money); 18 U.S.C. § 1956(a)(1)(B)(i)
(money laundering); 18 U.S.C. § 1957
(money laundering); 26 U.S.C. § 7201
(tax evasion)

INDICTMENT

The Grand Jury charges:

INTRODUCTION

1. From on or about January 3, 1997, continuing through on or about August 20, 1999, in Dona Ana County in the District of New Mexico, and elsewhere, the Defendant, FLAVIA BOLOURCHI, knowingly devised a scheme and artifice to defraud in which she sought to obtain money and property by fraudulent pretenses and representations, in violation of Section 1341 of Title 18 of the United States Code.

PERSONS, ENTITIES, AND DEFINITIONS

2. Spartan Health Sciences School of Medicine for all times in this indictment is a medical school located on the Island of Saint Lucia, in the West Indies.

3. Spartan Medical Education Foundation ("SMEF") is an American corporation established to operate the Spartan Health Sciences School of Medicine. On or about March of 1998, SMEF moved its corporate offices from El Paso, Texas to Santa Teresa, New Mexico where SMEF

continues to operate. For all times relevant to this indictment SMEF handled financial matters related to the accounts of students who attended Spartan Health Sciences School of Medicine. Among these functions, SMEF received student loan applications from its students, forwarded these applications to lending institutions, received student loan checks for its students from lending institutions, kept part of the funds from these checks to pay the tuition expense for the medical school, and provided students with a check for the remaining student loan funds.

4. FLAVIA BOLOURCHI worked as the Financial Officer for SMEF at all times relevant to this indictment. Bolourchi's employment with SMEF ended on August 20, 1999, when she abruptly left SMEF without providing any advance notice or contact information. As part of her duties, Bolourchi was supposed to receive student loan checks, have students endorse the checks, pay the students' tuition expenses from the checks, and send the students a check from the medical school for the remainder. However, rather than depositing student loan checks into SMEF's bank account, Defendant fraudulently converted the funds from these checks to her personal use and benefit.

5. Montwood National Bank, located in El Paso, Texas, is a financial institution in which SMEF had a checking account. Payments to SMEF for tuition and other costs were supposed to be deposited into SMEF's checking account with Montwood National Bank. On or about July 6, 1999, Montwood National Bank became State National Bank, the name under which the financial institution currently operates.

6. Texas Commerce Bank, located in El Paso, Texas, is a financial institution in which Flavia Bolourchi held a checking account. Texas Commerce Bank later became Chase Bank of Texas, the name under which the financial institution currently operates.

7. El Paso Employees Federal Credit Union, located in El Paso, Texas, is a financial

institution in which Flavia Bolourchi held two bank accounts on which she wrote checks.

8. First National Bank, located in Santa Teresa, New Mexico, is a financial institution in which Flavia Bolourchi held a checking account. In approximately November of 1998, First National Bank became First Security Bank. First Security Bank has since become Wells Fargo Bank, the name under which the financial institution currently operates.

PURPOSE OF THE SCHEME

9. It was the purpose of Defendant's scheme to knowingly and fraudulently convert funds from student loan checks that she should have deposited into SMEF's bank account to her own personal use and benefit.

THE SCHEME

10. As Financial Officer for SMEF, Defendant provided students with information that helped students to obtain student loans from various lending institutions. Once a student obtained a loan from a lending institution, the lending institution would mail the student's loan money directly to SMEF in the form of a check. As Financial Officer for SMEF, Defendant received these students loan checks on behalf of SMEF. The student loan checks were made payable to both the student and SMEF. Consequently, when Defendant received these checks, she mailed, or otherwise transmitted, the checks to the students with a letter instructing the students to endorse the checks. The letter also informed the students that SMEF would deduct the cost of tuition from the student loan checks and then send the students a separate check for the difference.

11. After the students endorsed their student loan checks and sent them back to SMEF, the Defendant took possession of the endorsed checks. Upon receiving the endorsed checks, Defendant was supposed to deposit the checks into SMEF's bank account. Part of the funds from the student loan checks was supposed to go toward the cost of tuition. Then, the remaining funds from the

student loan checks were supposed to be mailed, or otherwise transmitted, to the students in the form a check written on SMEF's bank account.

12. Defendant's fraudulent scheme involved depositing the endorsed student loan checks she received from her students into her own bank account, rather than into SMEF's bank account. In order to avoid detection of this fraudulent scheme, the Defendant would mail, or otherwise transmit, to students the students' appropriate share of their student loan checks. Defendant used general money from SMEF's bank account to fund the checks she mailed to students.

13. The result of Defendant's conduct was to deplete SMEF's bank account. However, to avoid detection, Defendant made false entries in SMEF's financial records to conceal the disappearance of funds that she converted to her own benefit. Defendant further concealed her fraudulent scheme by mailing, or otherwise transmitting, account statements to students that falsely informed the students that funds from their student loan checks had been used to pay the cost of their tuition. Through this scheme, Defendant knowingly, willfully, and fraudulently converted over one million dollars of funds intended for SMEF to her personal use and benefit.

Counts 1-7 (mail fraud)

14. Paragraphs one through thirteen are realleged in Counts 1 through 7 as though fully set forth herein.

15. From on or about January 3, 1997, continuing through on or about August 20, 1999, in Dona Ana County, within the District of New Mexico, and elsewhere, Defendant FLAVIA BOLOURCHI, having devised the above-described scheme and artifice to defraud, for the purpose of executing and attempting to execute the scheme and artifice to defraud, and to thereby obtain money and property by means of false and fraudulent pretenses, did knowingly use the United States Postal Service, and other mail carrier, to send and receive mail. Specifically, as set forth below in

Counts 1 through 7, Defendant knowingly and fraudulently mailed the following documents in furtherance of her fraudulent scheme to defraud:

Count	Type of Mailing	Student Recipient	Approx. Date of Mailing
1	Statement of Account	Ann Ilene Payne	May 13, 1998
2	Statement of Account	Ann Ilene Payne	June 25, 1998
3	Statement of Account	Gabriel M. Mabatah	September 25, 1998
4	Statement of Account	Tonya Cherie Gregory-Parker	January 7, 1999
5	Statement of Account	Chetan Jayanti Chauhan	March 1, 1999
6	Statement of Account	Farzad Tony Eshraghi	June 8, 1999
7	Statement of Account	John Tebo Mbah	June 29, 1999

All in violation of Title 18, United States Code, Sections 1341 and 2.

Counts 8-25(Interstate transportation of stolen property)

16. On or about the dates set forth below in Counts 8-25 within the District of New Mexico, and elsewhere, the Defendant, FLAVIA BOLOURCHI, did knowingly transport, transmit, and transfer in interstate commerce securities and money having a value of \$5,000.00 or more, from Texas to New Mexico, knowing such securities and money to have been stolen, converted, and taken by fraud.

Count	Approx. Date	Security or Money Transported, Transmitted, or Transferred
8	August 19, 1998	Cashier's check in amount of \$8,160.00
9	August 26, 1998	Cashier's check in amount of \$12,240.00
10	August 31, 1998	Cashier's check in amount of \$8,160.00
11	September 11, 1998	Cashier's check in amount of \$8,160.00
12	September 16, 1998	Cashier's check in amount of \$8,160.00
13	September 16, 1998	Cashier's check in amount of \$8,880.00
14	September 25, 1998	Cashier's check in amount of \$8,160.00
15	September 29, 1998	Cashier's check in amount of \$8,160.00

16	October 2, 1998	Cashier's check in amount of \$8,160.00
17	October 6, 1998	Cashier's check in amount of \$8,160.00
18	October 16, 1998	Cashier's check in amount of \$8,160.00
19	October 27, 1998	Cashier's check in amount of \$8,160.00
20	October 28, 1998	Cashier's check in amount of \$8,160.00
21	December 1, 1998	Cashier's check in amount of \$12,500.00
22	December 11, 1998	Cashier's check in amount of \$8,880.00
23	December 21, 1998	Cashier's check in amount of \$8,160.00
24	February 23, 1999	Cashier's check in amount of \$8,160.00
25	April 16, 1999	Cashier's check in amount of \$8,160.00

All in violation of Title 18, United States Code, Sections 2314 and 2.

Counts 26-41 (Section 1956(a)(1)(B)(i) Money Laundering)

17. On or about the dates set forth below in counts 26-41, in the District of New Mexico, the Defendant did knowingly and willfully conduct financial transactions affecting interstate commerce in that she made deposits into bank account number 1050653101 at First National Bank (currently Wells Fargo Bank), which involved proceeds of specified unlawful activity, that is, mail fraud, in violation of Title 18, United States Code, Section 1341, and the interstate transportation of stolen money, in violation of Title 18, United States Code, Section 2314. Defendant engaged in these financial transactions knowing that they were designed in whole and in part to conceal and disguise the source of the proceeds of said unlawful activity and that the monetary instruments involved in the financial transactions set forth in counts 26-41 represented the proceeds of some form of unlawful activity.

Count	Approx. Date of Fin. Trans.	Description of Financial Transaction
26	August 19, 1998	Deposit of cashier's check in amount of \$8,160.00
27	August 26, 1998	Deposit of cashier's check in amount of \$12,240.00
28	August 31, 1998	Deposit of cashier's check in amount of \$8,160.00
29	September 11, 1998	Deposit of cashier's check in amount of \$8,160.00
30	September 16, 1998	Deposit of cashier's check in amount of \$8,160.00
31	September 16, 1998	Deposit of cashier's check in amount of \$8,880.00
32	September 25, 1998	Deposit of cashier's check in amount of \$8,160.00
33	September 29, 1998	Deposit of cashier's check in amount of \$8,160.00
34	October 2, 1998	Deposit of cashier's check in amount of \$8,160.00
35	October 6, 1998	Deposit of cashier's check in amount of \$8,160.00
36	October 16, 1998	Deposit of cashier's check in amount of \$8,160.00
37	October 27, 1998	Deposit of cashier's check in amount of \$8,160.00
38	October 28, 1998	Deposit of cashier's check in amount of \$8,160.00
39	December 1, 1998	Deposit of cashier's check in amount of \$12,500.00
40	December 11, 1998	Deposit of cashier's check in amount of \$8,880.00
41	December 21, 1998	Deposit of cashier's check in amount of \$8,160.00

All in violation of Title 18, United States Code, Sections § 1956(a)(1)(B)(i) and 2.

Counts 42-44 (Section 1957 Money Laundering)

18. On or about the dates set forth below in counts 42-44 in the District of New Mexico, the Defendant, FLAVIA BOLOURCHI, did knowingly engage and attempt to engage in monetary transactions of criminally derived property having a value greater than \$10,000, using a financial institution and affecting interstate commerce. Specifically, Defendant received criminally derived monetary instruments in the district of New Mexico, caused these monetary instruments to be transported and deposited into a bank in El Paso, Texas, and then made the financial transactions listed below in Counts 42-44 the funds for which were derived from a

specified unlawful activity, that is mail fraud, in violation of Title 18, United States Code, Section 1341, and the interstate transportation of stolen moneys, in violation of Title 18, United States Code, Section 2314.

Count	Approx. Trans. Date: m/d/yr	Description of Transaction
42	03/03/98	\$17,250.00 check to Hoy Fox Toyota
43	05/14/98	\$32,800.00 check to Hoy Fox Toyota
44	12/19/98	\$21,500.00 to Future Ford

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

Count 45 (Tax Evasion)

20. That on or about the 12th day of April of 1999, in the District of New Mexico, the Defendant, FLAVIA BOLOURCHI, a resident of Santa Teresa, New Mexico, who during the calendar year 1998, was married, did willfully attempt to evade and defeat a large part of the income tax due and owing by her and her spouse to the United States of America for the calendar year 1998, by filing and causing to be filed with the Director, Internal Revenue Service Center, a false and fraudulent joint United States Individual Income Tax Return, Form 1040, on behalf of herself and her spouse, wherein it was stated that their joint taxable income for said calendar year 1998 was the sum of \$26,448.00, and that the amount of tax due and owing thereon was the sum of \$3,430.00, whereas, as she then and there well knew and believed, their joint taxable income for the said calendar year 1998 was in excess of \$600,000.00, upon which said joint taxable income there was owing to the United States of America an income tax in excess of \$200,000.

In violation of Title 26, United States Code, Section 7201.

A TRUE BILL:

Donald K. Armstrong
FOREPERSON OF THE GRAND JURY

Larry A. Iglesias
DAVID C. IGLESIAS
United States Attorney
MLH January 2002