

NEWS RELEASE



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San Diego, California***

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For Immediate Release

**MAN PLEADS GUILTY TO EMBEZZLING OVER \$1 MILLION
FROM SAN DIEGO COMPANY TO FUND FLEDGLING
PROFESSIONAL FOOTBALL LEAGUE**

NEWS RELEASE SUMMARY - June 24, 2013

Jaime Cuadra, the former chief financial officer of Oceanic Enterprises, Inc. pled guilty today to wire fraud and filing a false federal income tax return in connection with his embezzlement of \$1,089,813.26 from Oceanic and its parent company, Umami Sustainable Seafood, Inc., a San Diego-based, publically traded company.

As set forth in his plea agreement, Cuadra admitted that he embezzled the money over a two-and-a-half-year period from 2010 until his termination from Oceanic in February 2013. Cuadra took advantage of his position as CFO to access Oceanic's accounts and withdraw money for his personal benefit. Cuadra primarily used the money to fund a fledgling professional football league of which Cuadra served as the president and chief executive officer during the period of his fraud.

According to court documents, Cuadra admitted that he used embezzled funds to develop the league and attract investors by paying league executives, as well as the league's marketing, consulting, and public relations fees. Cuadra resigned as the president and CEO of the professional football league in February 2013. Cuadra admitted he used embezzled funds for other purposes as well, such as to: 1) financially support other outside business ventures (including a T-shirt business); 2) lease a Porsche Cayenne; 3) pay for personal travel, hotels, and meals; 4) purchase a variety of miscellaneous items, including artwork, designer clothing, computers and entertainment systems, and tickets to sporting events; and 5) deposit funds into his personal accounts and obtain cash from automated teller machines. Cuadra admitted that he hid his embezzlement from Oceanic and Umami by falsifying Oceanic's financial records in part by coding his illicit transfers as legitimate business expenses.

Cuadra also filed false tax returns for the years in which he carried out his scheme to defraud Oceanic and Umami. Specifically, he admitted that he failed to report his embezzled income on his 2010-2012 tax returns and, in one instance, wrote off an expense he paid with embezzled funds as a "partnership loss," which further reduced his adjusted gross income. In all, Cuadra admitted that his false tax returns resulted in unpaid taxes of \$387,347.58. As a condition of his plea, Cuadra must pay back the full amount of his unpaid taxes as well as the more than \$1 million he stole from Umami.

United States Attorney Laura E. Duffy praised the hard work of the agents from the Federal Bureau of Investigation and the Internal Revenue Service and reiterated her support of financial-crime prosecutions: "Today's guilty plea is yet another example of our office's commitment to investigate and prosecute those who illegally take advantage of positions of trust for their own personal gain."

FBI Special Agent in Charge, Daphne Hearn, commented: "At its most basic level, this case is about greed and the abuse of trust. I commend the efforts of the FBI Agents and Financial Analysts who worked tirelessly to uncover this sophisticated embezzlement scheme. I also want to thank the IRS and the U.S. Attorney's Office for their important roles in this investigation."

"Jaime Cuadra used his position of trust as Chief Financial Officer to defraud over \$1 million dollars

from two San Diego based companies, Oceanic Enterprises and Umami Sustainable Seafood Inc.,” said Jose A. Gonzalez, Special Agent in Charge of IRS Criminal Investigation’s Los Angeles Field Office. “Cuadra’s failure to pay federal income taxes of \$387,347.58 on his embezzled funds further confirms that his methodical greed and criminal activity was for his personal benefit. Today’s guilty plea entered by Cuadra reaffirms IRS CI’s commitment to investigate and prosecute those who misuse their position of trust to conduct criminal activity.”

Cuadra is scheduled to be sentenced Sept. 23 at 9 a.m. before Judge Huff.

DEFENDANT **Criminal Case No. 13cr2298-H**

Jaime Cuadra

SUMMARY OF CHARGES

Count 1: Title 18, United States Code, Section 1343 – Wire Fraud
Maximum penalties: 20 years custody; \$250,000 fine; 3 years supervised release.

Count 2: Title 26, United States Code, Section 7206(1) – Filing a False Federal Income Tax Return
Maximum penalties: 3 years custody; \$250,000 fine; 1 year supervised release.

INVESTIGATING AGENCIES:

Federal Bureau of Investigation
Internal Revenue Service