NEWS RELEASE

For Immediate Release

FORMER CAMP PENDLETON MARINE CAPTAIN PLEADS GUILTY TO FRAUD

NEWS RELEASE SUMMARY – August 21, 2013

United States Attorney Laura E. Duffy announced today that a former U. S. Marine Captain admitted to submitting tens of thousands of dollars in false lodging receipts to the Marine Corps and the Department of Veterans Affairs from 2009 to 2011. At the time, Captain Shawn A. Joyce was stationed at Marine Corps Base Camp Pendleton.

As detailed in his plea agreement, Joyce had initially been discharged from active duty in October 2008, entered the Marine Corps reserves, and thereafter sought and obtained orders placing him back on active duty at Camp Pendleton. Under certain circumstances, reservists who are called to active duty become eligible for a housing reimbursement benefit during the term of their active duty, in addition to the basic allowance for housing that they receive. Joyce exploited this housing reimbursement benefit by

falsely claiming reimbursement for rent that he never paid. Specifically, in 2009 and 2010, Joyce falsely claimed to be paying rent up to $4,030 per month for an address in Solana Beach. In 2011, Joyce falsely claimed to be paying rent of $3,700 per month for an address in Fountain Valley.

In order to conceal and disguise the fraud, Joyce submitted false rental receipts to the Marine Corps and created a fake email address in the name of his former landlord at the Solana Beach address. This email address was then used without his former landlord's knowledge or consent to facilitate the fraud.

In his plea agreement, Joyce also admitted to devising a separate scheme to defraud the Department of Veterans Affairs of tens of thousands of dollars. Under federal law, a servicemember receiving VA disability benefits is not entitled to simultaneously receive active duty compensation. To avoid this type of "double payment," service members (who receives VA disability benefits) are required to advice the VA when they receive orders placing them on active duty. Despite this regulation, Joyce failed to advise the VA and continued to receive VA disability benefits to which he was not entitled. Compounding the loss, Joyce contacted the VA from time to time trying to increase the amount of his improper disability payments.

Joyce pled guilty to two counts of wire fraud. He acknowledged defrauding the Defense Department of $48,740 (count one) and the VA of $41,862 (count two). In his plea agreement, Joyce agrees to pay restitution in the full amount of the losses.

United States Attorney Duffy stated, "With our nation's military budget being strained to the breaking point, fraud that drains funds needed by the U. S. Marine Corps and our veterans, will not be tolerated."

"The Office of Inspector General for the Department of Veterans Affairs aggressively investigates fraudulent receipt of VA benefits in order to preserve these benefits for those entitled to them," said VA Deputy Assistant Inspector General for Investigations Quentin Aucoin.

The case has been assigned to U. S. District Judge John A. Houston. The next scheduled court appearance is November 18, 2013 for sentencing.

DEFENDANT   **Case Number: 13cr3063-JAH**

Shawn A. Joyce

SUMMARY OF CHARGES

Count 1: Wire fraud, in violation of Title 18, United States Code, Section 1343 - Maximum penalties: 20 years in prison, $250,000 fine, term of supervised release of three years, restitution, forfeiture, and $100 special assessment.

Count 2: Wire fraud, in violation of Title 18, United States Code, Section 1343 - Maximum penalties: 20 years in prison, $250,000 fine, term of supervised release of three years, restitution, forfeiture, and $100 special assessment.

INVESTIGATING AGENCIES

Department of Veterans Affairs, Office of Inspector General
Naval Criminal Investigative Service