

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA




UNITED STATES OF AMERICA * CRIMINAL NO. 19-141
v. * SECTION: "E" (5)
RACHEL E. LIPPS * VIOLATIONS: 18 U.S.C. § 1343
18 U.S.C. § 1028A
* * *

FACTUAL BASIS

Should this matter have proceeded to trial, the United States would have proven, through the introduction of competent testimony and admissible evidence, the following facts, beyond a reasonable doubt, to support the allegations in the Indictment now pending against the defendant.

Business A is a company domiciled in Slidell, Louisiana, within the Eastern District of Louisiana. Business A specialized in the repossession and collection of assets. Between January 2013 to October 2017, RACHEL LIPPS ("LIPPS") worked for Business A as a part-time bookkeeper and was entrusted with the daily accounting, payroll, and bill payments for the company. LIPPS used Business A's QuickBooks account to perform her job duties.

In 2015, Business A hired a new accounting firm which initiated a review of Business A's accounting records from previous years. The new accounting firm discovered multiple financial irregularities along with repeated issuances of duplicate checks. The investigation revealed that LIPPS stole money from Business A beginning in 2012 and by doing so, forged T.D.'s ("Owner 1") signature on numerous checks. LIPPS stole money by issuing to herself, payroll checks for hours not worked. LIPPS stole from Business A to pay her USAA credit card bills and also used the stolen monies to pay for other personal expenses. LIPPS mislabeled the

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check entries within Business A's QuickBook account to conceal the thefts. None of the business entities listed on the forged checks were current or past clients of Business A.

Business A maintained a financial account with J.P. Morgan Chase Bank, N.A. ("Chase Bank") account no. XXXXX8596 ("Chase Bank 8596). Chase Bank is a national bank headquartered in Manhattan, New York and maintains branches in the Eastern District of Louisiana. All check images received from Chase Bank either from a branch location, ATM, mobile app, computer, or other method were electronically transmitted to computer servers located in either the States of Michigan, Illinois, or Delaware.

LIPPS maintained several accounts with Resource Bank ("Res Bank"), a corporation domiciled in Covington, Louisiana. Res Bank issued a daily Cash Letter that contained all financial items collected each business day with the exception of Financial Institution Service Corporation ("FISC") Exchange items. FISC Exchange items were items that were processed from other FISC member banks and Chase Bank was not an FISC Bank. All check images received from non-FISC members either from a branch location, ATM, mobile app, computer, or other method were electronically transmitted to computer servers located at the Federal Reserve Bank in Atlanta, Georgia.

LIPPS established accounts with the United Services Automobile Association ("USAA") account no. XXXXXXXXXXXX3662 ("USAA 3662"); the Acceptance Loan Company, Inc. ("Acceptance Loan") account no. XXXXXXXXX8407 ("Acceptance Loan 8407"); Target Card Services ("Target") account no. XXXXXXXXXXXXXX0449 ("Target 0449"); and Chase Auto Finance ("Chase Auto" account no. XXXXXXXXXXXX2309 ("Chase Auto Finance 2309").

LIPPS converted for her own use, and without authority, funds that belonged to Business A by fraudulently withdrawing funds held in Chase Bank 8596 and depositing the proceeds into her

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Res Bank accounts. Additionally, **LIPPS** fraudulently used Business A's funds to make payments to USAA 3662, Acceptance Loan 8407, Target 0449, and Chase Auto Finance 2309.

Between 2013 and 2017, **LIPPS** made the following fraudulent transactions:

COUNT	PAYEE	CHASE 8596 CHECK NUMBER	AMOUNT	DEPOSITED INTO ACCOUNT NO.	CHECK POST DATE
1	Rachel E. Lipps	1129	\$1,129.48	Res Bank 2303	08/20/14
2	Rachel E. Lipps	1222	\$1,411.75	Res Bank 2303	12/12/14
3	Rachel E. Lipps	1130	\$861.80	Res Bank 2303	08/29/14
4	Rachel E. Lipps	1213	\$966.50	Res Bank 2303	12/03/14
5	Rachel E. Lipps	1241	\$860.00	Res Bank 2303	09/11/14
6	Rachel E. Lipps	1131	\$383.90	Res Bank 2303	08/20/14
7	Rachel E. Lipps	1235	\$933.00	Res Bank 2303	09/22/14
8	Rachel E. Lipps	1142	\$699.00	Res Bank 2303	09/22/14
9	Rachel E. Lipps	1223	\$674.50	Res Bank 2857	12/12/14
10	Rachel E. Lipps	163496	\$1,125.00	Res Bank 2303	10/06/14
11	USAA	164740	\$2,065.00	USAA 3662	02/02/15
12	Chase Bank	172283	\$1,199.20	Chase Auto Finance 2309	12/04/15
13	USAA	164744	\$1,535.45	USAA 3662	02/02/15
14	USAA	164742	\$2,315.00	USAA 3662	02/02/15

COUNT	PAYEE	CHASE 8596 CHECK NUMBER	AMOUNT	DEPOSITED INTO ACCOUNT NO.	CHECK POST DATE
15	USAA	164743	\$3,195.00	USAA 3662	02/02/15
16	USAA	166423	\$1,750.00	USAA 3662	03/26/15
17	USAA	166424	\$1,925.00	USAA 3662	03/26/15
18	USAA	166986	\$2,565.00	USAA 3662	04/13/15
19	USAA	166990	\$1,890.00	USAA 3662	04/13/15
20	USAA	166950	\$1,975.00	USAA 3662	06/22/15
21	USAA	168461	\$3,980.00	USAA 3662	06/22/15
22	Rachel Lipps	1870	\$1,789.50	Res Bank 2303	02/01/16
23	Acceptance Loan Company	176430	\$1,107.60	Acceptance Loan 8407	06/01/16
24	Rachel Lipps	176435	\$1,372.90	Res Bank 2303	06/03/16
25	Acceptance Loan Company	177225	\$1,600.00	Acceptance Loan 8407	07/20/16
26	Target	178162	\$1,260.28	Target 0449	08/29/16
27	Chase Auto Finance	180452	\$1,399.65	Chase Auto Finance 2309	11/21/16
28	Target	2006	\$1,699.08	Target 0449	01/30/17
29	Chase Bank	19990	\$1,798.80	Chase Auto Finance 2309	05/22/17
30	Chase	201334	\$1,031.84	Chase Auto Finance 2309	07/11/17
31	Target	20894	\$948.96	Target 0449	06/28/17
32	Acceptance Loan Company	201338	\$1,476.80	Acceptance Loan 8407	07/11/17
33	Target	202716	\$1,462.89	Target 0449	10/02/17


LIPPS stole approximately \$473,978.53 from Business A between 2013 and late 2017. This particular calculation credits LIPPS for income reported on her 1099 forms for tax years 2013, 2014, 2015, 2016, and 2017. The parties agree and stipulate that, for the purposes of sentencing and restitution, LIPPS is responsible for an intended loss of \$473,978.53.

On July 22, 2014 during and in relation to her scheme to commit wire fraud, LIPPS knowingly forged Owner 1's signature on check no. 1130. LIPPS used the check to withdraw \$861.80 from Chase Bank 8596 without lawful authority. LIPPS was not authorized to endorse this particular check to herself and the forgery perpetuated her scheme to defraud Business A. The proceeds from this particular check were subsequently deposited into Res Bank 2303.

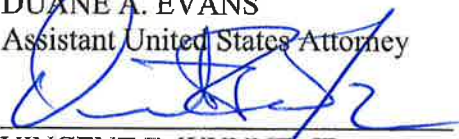
Limited Nature of Factual Basis

This proffer of evidence is not intended to constitute a complete statement of all facts known by LIPPS, and is not a complete statement of all facts described by LIPPS to the government. Rather, it is a minimum statement of facts intended to prove the necessary factual predicate for her guilty plea. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for LIPPS's plea of guilty to the charged offenses.

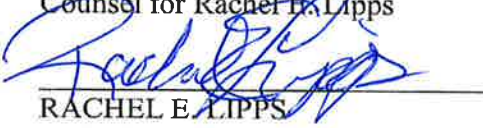
READ AND APPROVED:


DUANE A. EVANS
Assistant United States Attorney

7/28/2020
Date


VINCENT F. WYNNE, JR.
Counsel for Rachel E. Lipps

7/28/2020
Date


RACHEL E. LIPPS
Defendant

7/28/2020
Date