

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA	*	CRIMINAL NO. 20-134
v.	*	SECTION: M
ELDRIDGE JOHNSON	*	
	*	
	*	

FACTUAL BASIS

The United States and defendant **ELDRIDGE JOHNSON** (“**JOHNSON**”) stipulate and agree that the below facts are true and that they would have been proven beyond a reasonable doubt had this matter proceeded to trial. The United States and **JOHNSON** further stipulate and agree that these facts provide a sufficient basis for a plea of guilty to Counts 1 and 2 of the above-captioned superseding bill of information’s charges that **JOHNSON** violated Title 18, United States Code, Sections 201(b)(2)(B) and 371. The below facts are offered for the purpose of establishing a sufficient factual basis to support the guilty plea and therefore do not necessarily describe all the details of the offense or **JOHNSON**’s complete knowledge of the offense.

As further explained below, **JOHNSON** violated Title 18, United States Code, Section 201(b)(2)(B) in that, as a United States Coast Guard (“USCG”) employee, he intentionally and with an unlawful purpose sought, received, and accepted something of value in return for being influenced to commit, and to aid and allow the commission of, a fraud on the United States. As further explained below, **JOHNSON** violated Title 18, United States Code, Section 371 in that: he and other persons made an agreement to interfere by dishonest means with the USCG’s lawful functions of issuing merchant mariner credential (“MMC”) endorsements and of administering related examinations; he knew that the purpose of the agreement was to defraud the United States government and joined in it willfully, that is, with the intent to defraud; during the conspiracy’s

AUSA	<u>CM</u>
Defendant	<u>[Signature]</u>
Defense Counsel	<u>A</u>

existence, and in order to accomplish the conspiracy's objects and purposes, conspirators knowingly committed overt acts, including falsely reporting in USCG computer systems that examinations were passed.

A. At all times relevant herein:

The USCG's governmental functions, as authorized by federal statutes and regulations ("federal law"), included, among other things, the administration, regulation, and enforcement of the regulations and laws relating to the issuance of MMCs and related endorsements, including the applications and examinations associated with MMCs and endorsements. Under federal law, all mariners employed aboard United States merchant vessels greater than 100 gross registered tonnage, with a few limited exceptions, were required to have valid MMCs. Furthermore, to serve in various positions, federal law required mariners to have particular endorsements added to their MMCs. In order to obtain an MMC, a mariner was required to meet various requirements and to take an oath, promising to faithfully and honestly perform all the duties required by the laws of the United States.

Endorsements determined what position mariners could work, on what kind of vessels, and in what waters. The presence of an endorsement on an MMC indicated that the mariner was qualified to serve in the specified capacity and had met all legal requirements for that endorsement. Federal law prohibited a mariner from serving in a position for which the mariner lacked the required endorsement. Similarly, federal law prohibited a business from employing a mariner in a position for which the mariner lacked the required endorsement.

For many endorsements, federal law required mariners to pass USCG-administered examinations. These examinations tested mariners' knowledge and training to safely operate under the authority of the endorsements. The examinations, which typically consisted of numerous

separately-graded modules, were administered at USCG regional exam centers. One such regional exam center, known as REC New Orleans, was located in Mandeville, Louisiana, in the Eastern District of Louisiana. USCG employees at the regional exam centers entered the scores into a United States Coast Guard computer system used to manage the issuance of credentials to mariners and to process applications for MMCs and endorsements.

In some situations, passing an examination for one endorsement could enable a mariner to obtain one or more additional endorsements. This could occur, for example, if the examination fulfilled a requirement for an additional endorsement or if obtaining the tested-for endorsement fulfilled a requirement for an additional endorsement.

JOHNSON was employed by the USCG as an examination administrator at REC New Orleans until his retirement in or about January 2018. Dorothy Smith (“Smith”) was employed by the USCG as a credentialing specialist at REC New Orleans until in or about August 2019. In these respective capacities, **JOHNSON** and Smith were each a “public official” as that term is defined in Title 18, United States Code, Section 201(a)(1).

B. Bribery

Beginning in a year unknown, but no later than 2011, **JOHNSON** engaged in a scheme in which he would accept money from credential applicants and, in exchange, defraud, and assist the applicants in defrauding, the USCG. **JOHNSON** recruited credential applicants to engage in the scheme by approaching them when they appeared at REC New Orleans and by calling their telephone contacts numbers as listed in United States Coast Guard records. **JOHNSON** also encouraged applicants who had participated in the scheme to refer other applicants to **JOHNSON**.

JOHNSON offered and provided various forms of improper assistance to credential applicants, usually consisting of confidential written examination questions and answers, which

JOHNSON removed from REC New Orleans without authorization and provided to applicants prior to the examinations. At times, **JOHNSON** offered and provided the reporting of false information to the USCG to aid credential applicants in obtaining unearned endorsements. **JOHNSON** usually required applicants to pay him in the form of cash, but also, at times, accepted payments by money order and electronic money transfer services.

To facilitate the scheme, **JOHNSON** maintained in his home handwritten and electronic notations regarding the identities of mariners that participated in the scheme as well as mariners whom he had attempted or planned to recruit. **JOHNSON** also possessed in his home USCG documents concerning mariners and mariners' contact information, all of which he had improperly removed from REC New Orleans. The Coast Guard Investigative Service recovered this evidence from **JOHNSON's** home.

In or about March 2017, at REC New Orleans, **JOHNSON** asked a credential applicant, [REDACTED], to pay **JOHNSON** a sum of money in exchange for **JOHNSON's** agreement to use his USCG position to enable [REDACTED] to obtain a merchant mariner endorsement to which [REDACTED] was not lawfully entitled. **JOHNSON** then received from [REDACTED] a \$500 money order, which **JOHNSON** deposited to his bank account on April 9, 2017, in return for being influenced to use his USCG position to enable [REDACTED] to obtain a merchant mariner endorsement to which [REDACTED] was not lawfully entitled.

C. Conspiracy to defraud the United States

At or around the time of **JOHNSON's** January 2018 USCG retirement, Smith informed **JOHNSON** of a conspiracy to interfere with the USCG's lawful governmental functions through dishonest means. Specifically, Smith informed **JOHNSON** that Smith would, in exchange for money, falsely report that credential applicants had passed examinations required for

endorsements.

JOHNSON and Smith agreed that **JOHNSON** would participate in the scheme by acting as an intermediary between Smith and credential applicants who were willing to pay money for false passing scores. **JOHNSON** and Smith agreed that **JOHNSON** would: recruit mariners to participate in the scheme; provide Smith with the information necessary for Smith to enter the desired false scores; collect money from the mariners; keep a portion of the money obtained from the mariners; and provide Smith the remaining portion of money obtained from the mariners. **JOHNSON** then proceeded to recruit mariners to participate in the scheme by informing them that, in exchange for money, he could arrange for them to receive false passing examination scores at REC New Orleans and could thereby aid them in obtaining endorsements to which they were not lawfully entitled.


As a member of Smith's conspiracy, **JOHNSON** continued some of the recruitment methods used in the above-discussed bribery scheme, including calling mariners using contact information he had improperly removed from REC New Orleans. **JOHNSON** also solicited mariners who had participated in the above-discussed bribery scheme to participate in Smith's conspiracy and encouraged them to refer other mariners to **JOHNSON**. As in the above-discussed bribery scheme, **JOHNSON** maintained in his home handwritten and electronic notations regarding the identities of mariners, USCG documents concerning mariners, and mariners' contact information, which the Coast Guard Investigative Service recovered from **JOHNSON's** home. Furthermore, **JOHNSON** continued to usually require applicants to pay him in the form of cash, but also, at times, accepted payments by money order and electronic money transfer services.

By engaging in this conduct, **JOHNSON** caused Smith to enter numerous false reports that applicants had passed examinations, with each false report resulting in the issuance an unearned


officer-level endorsement and with each false report constituting an overt act in furtherance of the conspiracy. An additional overt act committed in furtherance of the conspiracy was **JOHNSON's** payment on May 1, 2019, of approximately \$1,000 to Smith via an electronic money transfer, which Smith received in the Eastern District of Louisiana, for the purpose of a credential applicant obtaining false passing examination scores


CHANDRA MENON
Assistant United States Attorney

3/18/22
Date


WILLIAM M. DOYLE
Counsel for Defendant

3/18/22
Date


ELDRIDGE JOHNSON
Defendant

3-18-22
Date