

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : CRIMINAL NUMBER: _____

v. : DATE FILED: _____

ALBERT ERNEST FISHER : VIOLATIONS

: 18 U.S.C. § 371 (conspiracy to commit wire fraud –1 count)

: 18 U.S.C. § 1343 (wire fraud – 1 count)
26 U.S.C. § 7206(1) (subscribing to false

: tax returns – 5 counts)

18 U.S.C. § 2 (aiding and abetting)

: Notice of forfeiture

INDICTMENT

COUNT ONE

(Wire Fraud Conspiracy)

THE GRAND JURY CHARGES THAT:

At all times relevant to this indictment:

GENERAL ALLEGATIONS

1. Defendant ALBERT ERNEST FISHER was married to Person No. 1.

2. Fraternity Management Association (“FMA”) was a management company, located in Bethlehem, Pennsylvania, and conducted business at locations in the Eastern District of Pennsylvania and elsewhere. FMA was paid by Lehigh University fraternities, sororities, and students, hereafter “the fraternity victims,” prior to the start of each semester to arrange and pay for the operations and upkeep of the fraternities, including delivery of food services and financial management of fraternity expenses.

3. At the end of each school semester, the monies unspent on behalf of the fraternities and sororities were to be kept in individual accounts by FMA for future use by the fraternity victims. At least annually, FMA provided written accountings of these unspent funds, identified as “cash from prior year,” in financial statements provided to the fraternity victims. These accountings from FMA represented that FMA was fiscally-sound and enticed the fraternity victims to continue providing advance payment for services to FMA.

4. Person No. 1 utilized electronic mail to transmit these accountings to the fraternity victims. When Person No. 1 caused this electronic mail to be sent, but prior to receipt by the fraternity victims, the electronic mail was transferred through a commercial spam filtering service, with servers located in Georgia, Texas, Virginia, London, Norway, and Switzerland.

5. The “fraternity victims” include, but are not limited to, C.F., C.F. Alumni, L.C.A., P.K.A., A.R.S.C., A.R.S.C. Alumni, K.S.D.P., S.P.E., S.P.E. Alumni, A.P. Sorority, P.K.T., E.C.T.X., P.S.K. Alumni, S.A.M., A.R.A.T.O., D.K., K.A., E.C.P.U., E.C.P.U. Alumni, and T.C. Additional victims include Lehigh University.

6. Person No. 1 was employed as the Executive Director of FMA, from approximately 2009 through March 2014, and her responsibilities included collecting fees from the fraternity victims at Lehigh University and using those fees to provide for the services paid for by the fraternity victims. During 2009 and 2010, Person No. 1's annual salary was approximately \$61,000. In 2011, her salary was increased to approximately \$82,000. In 2012, her annual salary was again increased to approximately \$126,000. In 2013, her annual salary was approximately \$113,000.

7. Defendant ALBERT ERNEST FISHER was employed and paid by FMA

as both an employee and as an independent contractor for Fisher and Associates, a fictitious consulting company created by Person No. 1 and defendant ALBERT ERNEST FISHER. FMA was the sole client of Fisher and Associates. From approximately 2009 through 2013, Person No. 1 paid \$549,748 in wages to defendant ALBERT ERNEST FISHER as a full-time employee of FMA. From approximately 2009 through 2013, Person No. 1 also authorized payment from FMA of at least \$457,636 in invoices submitted by defendant ALBERT ERNEST FISHER on behalf of Fisher and Associates.

8. Person No. 1 and defendant ALBERT ERNEST FISHER were not authorized to use payments made by the fraternity victims to FMA to make personal purchases and pay personal expenses, including expenditures on their personal American Express credit card.

9. American Express is a financial services company operating in interstate commerce that offers financial services for individuals and businesses worldwide, including an American Express credit card that allows the holder to purchase goods and services based on the holder's promise to pay for them. American Express is headquartered in New York City, New York, and payments for charges made on American Express credit cards can be made online or sent by mail to American Express in Fort Lauderdale, Florida.

THE SCHEME

10. From in or about 2009 to in or about 2013, in the Eastern District of Pennsylvania, and elsewhere, defendant

ALBERT ERNEST FISHER,

and Person No. 1, conspired and agreed together, to commit offenses against the United States, that is knowingly devising and intending to devise a scheme to defraud and to obtain money and

property by means of false and fraudulent pretenses, representations and promises, using interstate wires, in violation of Title 18, United States Code, Sections 1341 and 1343.

MANNER AND MEANS

It was part of the conspiracy that:

11. Person No. 1 and defendant ALBERT ERNEST FISHER took the money paid to FMA by the victims as payment for future services and used it for their own purposes while making false statements to the victims.

12. Person No. 1 used her position as Executive Director of FMA to access funds provided to FMA by the victim fraternities to pay herself and defendant ALBERT ERNEST FISHER and to make payments on FISHER's personal American Express credit card account for unauthorized personal purchases of goods and services made by and on behalf of Person No. 1 and FISHER.

13. From on or about January 1, 2009 to on or about March 31, 2014, Person No. 1 and defendant ALBERT ERNEST FISHER misappropriated at least \$1,461,777.96 in funds from FMA and the victim fraternities and caused an additional \$990,157.41 in expenses for the victims.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, Person No. 1 and defendant ALBERT ERNEST FISHER, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. On or about January 25, 2013, Person No. 1 used her signatory authority

to write a \$52,148.99 check from the FMA bank account at Bank of America to pay defendant ALBERT ERNEST FISHER's personal American Express credit card bill for January 2013. The personal expenditures made by FISHER on that bill included the following:

<u>Purchase</u>	<u>Amount</u>
Neiman Marcus	11,565.43
Saks	1,732.78

2. On or about July 23, 2013, Person No. 1 used her signatory authority to write a \$43,221.00 check from the FMA bank account at Bank of America to pay defendant ALBERT ERNEST FISHER's personal American Express credit card bill for July 2013. The personal expenditures made by FISHER on that bill included the following:

<u>Purchase</u>	<u>Amount</u>
Celebrity Cruises	7,899.54
Expedia	9,844.40
Home Furnishings	2,014.44
Neiman Marcus	1,381.00

3. On or about November 1, 2013, Person No. 1 used her signatory authority to write a \$56,422.90 check from the FMA bank account at Bank of America to pay defendant ALBERT ERNEST FISHER's personal American Express credit card bill for October 2013. The personal expenditures made by FISHER on that bill included the following:

<u>Purchase</u>	<u>Amount</u>
Expedia	2,102.17
Neiman Marcus	5,373.96
Westport Big and Tall	2,154.75
Travel Protection	1,559.00

4. During and throughout 2013, Person No. 1 used her transfer authority to

electronically transfer more than \$156,000 from the FMA bank account at Bank of America to pay defendant ALBERT ERNEST FISHER's personal American Express credit card bills for that year. The personal expenditures made by FISHER on these bills included the following:

<u>Purchase</u>	<u>Amount</u>
Clothing	3,974.44
Department Store	39,083.39
Entertainment	1,293.46
Handbags	2,098.80
Health and Beauty	1,675.24
Home Décor	17,105.27
Travel	17,416.87
Grand Total	82,647.47

5. On or about March 4, 2014, Person No. 1 caused an email to be sent to each of the victim fraternities, falsely representing that FMA had a total of \$1,461,777.96 available in their respective accounts.

6. On or about March 5, 2014, Person No. 1 send a letter, by email, to each of the fraternity victims, in which she stated that FMA was financially insolvent and would be immediately ceasing operations. At this time, the sum total of assets remaining in FMA's bank accounts was approximately \$2,500.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO
(Wire Fraud)

THE GRAND JURY FURTHER CHARGES THAT

1. Paragraphs 1-9 of Count One of this Indictment are re-alleged here.
2. From at least March 6, 2008, until on or about March 5, 2014, in the Eastern District of Pennsylvania, and elsewhere, defendant

ALBERT ERNEST FISHER,

and Person No. 1, devised and intended to devise and aided and abetted the devising of a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

1. Person No. 1 and defendant ALBERT ERNEST FISHER misappropriated over \$1.4 million in funds paid to them in expectation of future services by the victims.
2. Paragraphs 11 through 13 and Overt Acts 1 through 6 of Count One are incorporated here.
3. On or about March 4, 2014, in the Eastern District of Pennsylvania and elsewhere, defendant

ALBERT ERNEST FISHER,

and Person No. 1, for the purpose of executing the scheme described above, and aiding and abetting its execution, knowingly caused to be transmitted by means of wire communication in interstate commerce, an email to each of the victim fraternities, representing that FMA had a total of \$1,461,777.96 of funds belonging to the victim fraternities, and available in their

respective accounts, when, as Person No. 1 and the defendant knew, they had misappropriated these monies and there was virtually no money in the accounts.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS THREE THROUGH SEVEN

(Subscribing False Tax Returns)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9 and 11 through 13 of Count One are incorporated here.

2. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, defendant

ALBERT ERNEST FISHER,

and Person No. 1, willfully made and subscribed, and aided and abetted the making and subscription of, the following Forms 1040, U.S. Individual Income Tax Returns, for the following tax years, which were verified by a written declaration that the returns were made under the penalty of perjury and filed with the Director of the Internal Revenue Service at the following locations, and which Person No. 1 and defendant ALBERT ERNEST FISHER did not believe to be true and correct as to every material matter, in that the returns reported total adjusted gross income of approximately the following amounts, when, as Person No. 1 and defendant ALBERT ERNEST FISHER knew and believed, the actual total adjusted gross

income was approximately as follows:

<u>Count</u>	<u>Date Filed</u>	<u>Tax Year</u>	<u>Reported Adjusted Gross Income</u>	<u>Unreported Income</u>	<u>Revised Adjusted Gross Income</u>
3	April 15, 2010	2009	\$265,700	\$68,400	\$334,100
4	April 5, 2011	2010	\$246,103	\$154,460	\$400,563
5	April 9, 2012	2011	\$246,146	\$76,377	\$322,523
6	March 26, 2013	2012	\$358,115	\$90,375	\$448,490
7	March 28, 2014	2013	\$364,806	\$224,786	\$589,592
		Total	\$1,480,870	\$614,398	\$2,095,268

In violation of Title 26, United States Code, Section 7206(1), 18 U.S.C. § 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1343, as set forth in Counts One and Two of this Indictment, defendant

ALBERT ERNEST FISHER

shall forfeit to the United States of America all property, real or personal, involved in the commission of the offenses and all property traceable to such property, including, but not limited to the sum of \$2,451,935.37.

1. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty,

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p) to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States code, Section 981(a)(1)(C) and Title 28, United States Code Section 2641(c).

A TRUE BILL:

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**