

FILED

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

2015 OCT -5 A 11: 21

CLERK US DISTRICT COURT
ALEXANDRIA, VIRGINIA

UNITED STATES OF AMERICA)	
)	Case No. 1:15CR285
v.)	
)	
LINDA DIANE WALLIS,)	
)	
a/k/a "Lynn Wallis Miller")	
)	
Defendant.)	

CRIMINAL INFORMATION

Count 1

(Conspiracy to Commit Wire Fraud)

THE UNITED STATES ATTORNEY CHARGES THAT:

The Conspiracy

1. WALLIS and D.M. have resided in Fairfax, Virginia since 2001.
2. From in or around January 2013 through in or around February 2014, in Dulles, Virginia, in the Eastern District of Virginia and elsewhere, the defendant, WALLIS, did knowingly and intentionally conspire with D.M to commit an offense against the United States, namely wire fraud, in violation of Title 18, United States Code, Section 1343; that is: having devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire in interstate commerce writings, signs, and signals for the purpose of executing such scheme or artifice, all in violation of Title 18, United States Code, Section 1349.
3. The purpose of the conspiracy was to obtain money through false statements and misleading representations.

4. Conspirators created bogus entities with financial accounts in order to fraudulently bill the victim organization.
5. Conspirators created false identities, fake addresses, and bogus email addresses in order to lend legitimacy to the phony entities.
6. Conspirators used the entities to fraudulently bill the victim organization for services.
7. Defendant embezzled funds from victim organization.
8. Defendant used embezzled and fraudulently obtained funds to pay for personal expenses.

Fraud Against Company A

9. Company A is a logistics company with an office in Dulles, Virginia. From approximately 2008 until May 2014, D.M. was Company A's General Counsel and Chief Compliance Officer. D.M.'s responsibilities at Company A included providing legal advice to the company as well as overseeing Company A's engagement and management of outside legal counsel.
10. It was part of the conspiracy that, from approximately January 2013 to February 2014, WALLIS and D.M. caused approximately \$368,000 in fraudulent checks and wire transfers to be issued from Company A. These payments were issued to two fake law firms, Federal Legal Associates and The Straile Group, which WALLIS and D.M. created for the purposes of the fraud.
11. In or around January 2013, D.M. engaged Federal Legal Associates on behalf of Company A. The purported managing partner of Federal Legal Associates was "Lawrence A. Miller." In reality, D.M. and WALLIS created Federal Legal Associates and used the name "Lawrence A. Miller" for the purposes of the fraud.

12. Between approximately January 2013 and approximately September 2013, Company A paid Federal Legal Associates on eight occasions via check and wire transfer, which totaled approximately \$243,400. These funds, which were disbursed at D.M.'s direction pursuant to invoices submitted by Federal Legal Associates, were credited to an account (ending 9211) at Capital Bank. WALLIS is the only signatory on this account.

13. In or around March 2013, D.M. engaged another outside law firm on behalf of Company A, which was called The Straile Group. The attorney MILLER was ostensibly dealing with at The Straile Group was "Donald Straile." In truth, D.M. and WALLIS created The Straile Group and used the name "Donald Straile," a fictitious individual, for the purposes of the fraud.

14. Between approximately June 2013 and approximately February 2014, at D.M.'s direction, Company A made eight wire transfer payments to The Straile Group, which totaled approximately \$124,000. The wire transfers from Company A to The Straile Group were credited to a PNC Bank account (ending 0279) that WALLIS established in the name of The Straile Group for the purpose of engaging in the fraud.

15. On or about July 23, 2013, WALLIS, posing as "Emily Doyle," the purported "Executive Assistant to Donald Straile," sent an email to an employee of Company A that contained a request to pay a Straile Group invoice. WALLIS' sham email to Company A caused the transmission of a \$14,675 interstate wire transfer that originated outside the Eastern District of Virginia, which was credited to The Straile Group's bank account (ending 0279) at PNC Bank located within the Eastern District of Virginia.

16. In total, WALLIS' and D.M.'s criminal conduct caused an actual loss of approximately \$368,400 to Company A.

Embezzlement From Campaign Account For State Senator Richard Saslaw

17. Senator Richard Saslaw represents the 35th Senate District, which includes portions of Fairfax, Alexandria, and Falls Church, in the Virginia Senate.

18. WALLIS engaged in a scheme to defraud the campaign of Virginia State Senator Richard Saslaw. Beginning in or around June 2013 through in or around September 2014, WALLIS served as the treasurer of the Saslaw for State Senate campaign.

19. From in or around June 2013 to in or around September 2014, WALLIS issued, or caused to be issued, approximately 73 fraudulent checks from the Saslaw for State Senate campaign bank account at PNC Bank, which totaled approximately \$653,000. WALLIS made the checks payable to Federal Legal Associates, The Straile Group, and herself. All of the checks were issued without knowledge or permission of Senator Saslaw or his campaign staff. WALLIS deposited the checks into accounts she controlled at Capital Bank (ending 9211) and PNC Bank (ending 0279) as well as a Capital Bank account (ending 7415) that WALLIS jointly controlled with D.M.

20. WALLIS, in her capacity as treasurer for the Saslaw for State Senate campaign, was required to file bi-annual campaign finance reports with the Virginia State Board of Elections detailing expenditures from Senators Saslaw's campaign bank account. Significantly, WALLIS did not report any payments to Federal Legal Associates, The Straile Group, or herself in the campaign finance reports she filed on behalf of Senator Saslaw's campaign.

21. As a result of the embezzlement scheme, the campaign account belonging to State Senator Saslaw suffered a loss of approximately \$653,000.

Misuse of Funds From Community College Consortium on Autism and Intellectual Disabilities

22. D.M. was the co-founder of The Community College Consortium on Autism and Intellectual Disabilities ("CCCAID"), which purported to be a non-profit charitable organization

established in Virginia. WALLIS served as the Executive Director of CCCAID. CCCAID claimed to provide “assistance to Community Colleges for program development and implementation and information on the availability of resources for sustainability of programs.” CCCAID’s website reflected an address of Company A’s Dulles, Virginia office location.

23. In or about April 2010, WALLIS established CCCAID’s bank account (ending 4911) at Capital Bank. Between in or about April 2010 to in or about April 2013, community colleges located around the United States contributed approximately \$293,000 to CCCAID. Additionally, a Bulgarian businessman associated with D.M. donated \$500,000 to CCCAID.

24. The funds contributed to CCCAID were to be used to further the mission of the organization and not to enrich D.M or WALLIS.

25. Despite these restrictions, from in or about April 2010 to in or about August 2014, WALLIS authorized approximately \$482,000 in transfers from CCCAID’s account (ending 4911) at Capital Bank to other bank accounts WALLIS and D.M. controlled. A significant percentage of the \$482,000 CCCAID was used to pay WALLIS’ and D.M.’s personal expenses, such as mortgage payments, expenses related to food/restaurants, and merchandise purchases.

Conclusion

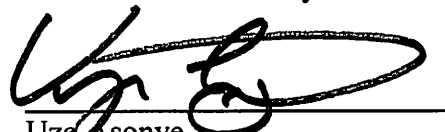
26. The total losses attributable to WALLIS’ schemes are over \$1 million.

(All in violation of Title 18, United States Code, Section 1349).

Respectfully submitted,

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