

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Criminal Number: 21-
	:	
v.	:	
	:	18 U.S.C. § 1343
TAMARA BROWN	:	

INFORMATION

The defendant having waived in open court prosecution by indictment, the Acting United States Attorney for the District of New Jersey charges:

**WIRE FRAUD
(18 U.S.C. § 1343)**

1. At all times relevant to this Information:
 - a. Defendant TAMARA BROWN was the sole owner of a private for-profit academic institution (“Educational Institution”) in Camden County, New Jersey. Since 2006, defendant TAMARA BROWN also served as the Educational Institution’s President and CEO.
 - b. The Educational Institution was a commercial diving school which offered educational programs pertaining to commercial diving and underwater welding and salvage.
 - c. The United States Department of Education (“DoED”) was an agency of the United States that provided funds to post-secondary educational institutions for educational objectives.
 - d. As a for-profit academic institution, the Educational Institution was required to be accredited through an approved accreditation body in order to be eligible to receive tuition funds from the DoED’s Higher Education Act’s programs, *see* 20 U.S.C. § 1001 *et seq.* The DoED’s

accreditation requirement was intended to ensure that all institutions of higher education met acceptable levels of quality.

e. The Educational Institution was accredited through the DoED approved accrediting entity, the Accrediting Commission of Career Schools and Colleges (“ACCSC”). The ACCSC conducted on-site accreditation reviews every five years of the educational entities that it accredited to ensure the entities under their review were maintaining appropriate standards. In addition, the educational institutions were required to submit various documents, including a certified Application for Accreditation Renewal and Self-Evaluation Report (“Self-Evaluation Report”).

f. The Educational Institution advertised its ACCSC accreditation on its website and in its brochures and other various promotional materials.

g. Without accreditation from the ACCSC, the Educational Institution’s students would not have had access to funding from the DoED’s Title IV Higher Education Act of 1965 program, such as Pell Grants and Direct Student Loans.

h. The U.S. Department of Veterans Affairs (“VA”) was an agency of the United States that provided funds to post-secondary educational institutions for educational objectives.

i. The VA also relied on the Educational Institution’s ACCSC accreditation in evaluating the eligibility of veteran students to receive federal student aid funding, including access to monies pursuant to the GI Bill. The VA had the authority to approve or disapprove an academic institution to receive funding from the VA and delegated its authority to designated State Approving Authorities (“SAA”) in each state. The Educational Institution submitted its ACCSC accreditation to the New Jersey Department of Military and Veterans Affairs

(“NJDMVA”) as the SAA for approving academic institutions to receive funding from the VA in New Jersey.

j. The Educational Institution maintained a business bank account at PNC Bank, account number XXXXXX2912 (the “PNC Account”), for which defendant TAMARA BROWN was the authorized signatory.

k. The Educational Institution utilized the PNC Account to receive monies from and on behalf of the Educational Institution’s students, including monies from the DoED and the VA.

l. The Educational Institution derived the majority of its revenue from tuition payments, a significant portion of which were funded by monies from the DoED and the VA.

The Defendant’s Scheme to Defraud

2. From in or about January 2012 and continuing through in or about July 2018, in Camden County, in the District of New Jersey, and elsewhere, the defendant,

TAMARA BROWN,

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud the United States, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

The Object of the Scheme and Artifice to Defraud

3. The object of the scheme and artifice to defraud was for defendant TAMARA BROWN, through the operation of the Educational Institution, to obtain monies from the DoED and VA under fraudulent pretenses, specifically by submitting false and fraudulent information to the ACCSC during the Educational Institution’s accreditation process in order to fraudulently secure an accreditation and continued federal funding for its students’ tuition payments.

Manner and Means of the Scheme to Defraud

4. It was a part of the scheme and artifice to defraud that defendant TAMARA

BROWN reported and caused the Educational Institution to report, in its 2012 Self-Evaluation Report, graduate employment rates for years 2007 through 2011 as between 81-84%. In actuality, the Educational Institution's employment rates were closer to 50-60%, which was significantly lower than what was reported to the ACCSC and also significantly lower than the 70% rate required by the ACCSC to maintain accreditation. Defendant TAMARA BROWN falsified such employment rates and also directed then-employees of the Educational Institution to falsify such employment rates.

5. It was further part of the scheme and artifice to defraud that defendant TAMARA BROWN reported and caused the Educational Institution to report, in its 2012 Self-Evaluation Report, specific dates of nine alleged advisory board meetings from January 2008 through January 2012, and also included the number of advisory board members (between 4 and 6) alleged to have participated in each such meeting. In actuality, the Educational Institution did not have a formal advisory board during this time period and did not, in any event, hold advisory board meetings on at least six of the nine dates listed. At the direction of defendant TAMARA BROWN, a then-employee of the Educational Institution created fraudulent minutes for the advisory board meetings to submit to the ACCSC. By falsifying its meetings and minutes, the Educational Institution did not meet the ACCSC standards.

6. It was further part of the scheme and artifice to defraud that defendant TAMARA BROWN made and caused to be made the false statements in the Educational Institution's 2012 Self-Evaluation Report to mislead the ACCSC about the Educational Institution's performance because the Educational Institution did not meet the minimum standards required by the ACCSC for an accredited institution.

7. It was further part of the scheme and artifice to defraud that defendant TAMARA BROWN understood that if the Educational Institution was not an accredited institution, the Educational Institution's students would be ineligible to receive certain types of federal funding from tuition programs through the DoED and VA. An analysis of the Educational Institution's

income revealed that for any given year, more than 80% of the Educational Institution's students received financial assistance from DoED programs and that if the Educational Institution lost its accreditation it stood to lose its largest source of tuition funding for its students.

8. It was further part of the scheme and artifice to defraud that defendant TAMARA BROWN, by submitting the aforesaid false information, among other information, caused the ACCSC to renew the Educational Institution's accreditation in 2012 for the five-year period from June 2012 through June 2017 even though the Educational Institution was below the minimum standards required by the ACCSC for an accredited institution. The Educational Institution's 2012 accreditation was ultimately extended through July 2018 due to delays during the subsequent renewal process.

9. It was further part of the scheme and artifice to defraud that defendant TAMARA BROWN, by securing an accreditation for the Educational Institution through false and fraudulent misrepresentations, caused the DoED and VA to falsely believe that the Educational Institution met the minimum standards to receive federal funding.

10. It was further part of the scheme and artifice to defraud that defendant TAMARA BROWN, by submitting the aforesaid false and fraudulent information, caused the Educational Institution to receive an accreditation from the ACCSC which allowed the Educational Institution's students and the Educational Institution to receive millions of dollars in tuition aid from the DoED through various programs, including Pell Grants and student loans during the time period from approximately June 2012 through July 2018.

11. It was further part of the scheme and artifice to defraud that defendant TAMARA BROWN, by securing an accreditation through false and fraudulent misrepresentations, caused the DoED to transfer funds through the use of electronic communications and signals via automated clearing house ("ACH") transfers during the years from June 2012 through July 2018. All of these ACH transfers originated from the DoED's bank account at the Federal Reserve

Bank of New York and were sent to the Educational Institution's PNC Account and include but were not limited to the following:

DATE	AMOUNT	TRANSACTION DESCRIPTION	REFERENCE NUMBER
01/06/2017	\$2,975.00	Corporate ACH Doep Treas 310 081885865910200	00017006005218511
01/12/2017	\$7,246.00	Corporate ACH Doep Treas 310 081885865910200	00017011011045997
01/18/2017	\$2,796.00	Corporate ACH Doep Treas 310 081885865910200	00017018008178425

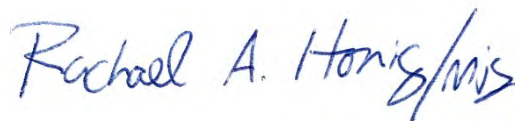
The Wire Fraud

12. On or about January 18, 2017, for the purpose of executing the aforesaid scheme and artifice, in Camden County, in the District of New Jersey and elsewhere, the defendant,

TAMARA BROWN,

did knowingly and with fraudulent intent cause to be transmitted by means of wire communication in interstate commerce, the electronic transfer of \$2,796.00 in funds from the U.S. Department of Education's bank account to the Educational Institution's PNC account via ACH transfer, for the purpose of executing such scheme and artifice.

In violation of Title 18, United States Code, Section 1343.



RACHAEL A. HONIG
Acting United States Attorney

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