

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO. 13-_____</b>
v.	:	<b>DATE FILED: _____</b>
<b>BARBARA STANLEY</b>	:	<b>VIOLATIONS:</b>
	:	<b>18 U.S.C. § 1341 (mail fraud - 5 counts)</b>
	:	<b>18 U.S.C. § 641 (conversion of government</b>
	:	<b>funds - 2 counts)</b>
	:	<b>18 U.S.C. § 1001(a)(2) (false statement - 1</b>
	:	<b>count)</b>
	:	<b>18 U.S.C. § 1920 (false or fraudulent</b>
	:	<b>statement regarding workers'</b>
	:	<b>compensation benefits - 3 counts)</b>
	:	<b>Notice of forfeiture</b>

**INDICTMENT**

**COUNTS ONE THROUGH FIVE**

**(Mail Fraud)**

**THE GRAND JURY CHARGES THAT:**

**INTRODUCTION**

At all times relevant to this indictment:

1. The Department of Labor (“DOL”), Office of Workers' Compensation Program (“OWCP”) administered benefits payable under the Federal Employees' Compensation Act (“FECA”), which allowed federal employees who sustained work related injuries (“claimants”) to receive Workers' Compensation benefits (“WC benefits”).
2. Claimants seeking WC benefits were required to fill out a Federal Employee's Notice of Traumatic Injury and Claim For Continuation of Pay/Compensation form

("DOL CA-1 Form"), that described the nature of their injury and indicated that it occurred while they were in the performance of their work duties.

3. In order to be eligible to receive WC benefits, a claimant had to be a federal employee who sustained a personal injury in the performance of his or her duty.

4. Individuals were eligible to receive benefits until they had recovered from their work related injury or until they returned to work. The amount of a claimant's WC benefits could also be reduced if, as a result of their work related injury, they could no longer perform their previous work, but could perform alternative lower paying employment.

5. The ability of DOL-OWCP to properly make initial determinations as to a claimant's initial eligibility to WC benefits was directly dependent upon DOL-OWCP's access to accurate and current information regarding that claimant. Moreover, if a claimant initially was found to be eligible, and therefore became a WC benefits recipient, DOL-OWCP's ability to properly determine that recipient's continuing eligibility, and the correct monthly benefit due that recipient, likewise was directly dependent upon DOL-OWCP's ongoing access to accurate and current information regarding that recipient.

6. DOL-OWCP required injured WC benefit recipients to advise DOL-OWCP of any paid or volunteer work performed, other benefits received, and any changes or improvements in the condition of their work related injuries and any limitations caused by those work related injuries.

7. On or about November 26, 1994, defendant Barbara Stanley began working as a rural mail carrier by the United States Postal Service ("USPS") at Oxford, Pennsylvania.

8. On or about October 18, 2005, defendant Barbara Stanley filed a DOL CA-1 Form claiming that she had suffered a work related injury on June 23, 2005. Defendant Stanley claimed that she had injured her right shoulder while opening a stuck residential mailbox.

9. Prior to filling out this form, defendant Stanley never informed her supervisors or co-workers that she had injured her right shoulder opening a stuck residential mailbox.

10. Prior to October 2005, defendant Stanley failed to inform her primary physician that she allegedly suffered a work related injury in June 2005.

11. Defendant Stanley failed to inform her treating orthopaedist that she suffered a specific work related injury.

12. On or about, October 13, 2005, five days before she filed her claim, defendant Stanley asked her treating orthopaedist if her right shoulder injury could be a work related injury. Her treating orthopaedist informed defendant Stanley that her right shoulder injury was not work related because she did not have a specific reportable incident which could explain her injury.

13. On or about November 14, 2005, defendant Stanley sought treatment from A.T., another orthopaedist. At that time, defendant Stanley told A.T. that she had hurt her shoulder opening a stuck mailbox on June 23, 2005. As a result, on or about November 28, 2005, A.T. supplied a Form CA-20 to DOL-OWCP indicating that defendant Stanley's right shoulder injury was work related.

14. On or about January 11, 2006, defendant Stanley had surgery to repair a torn rotator cuff in her right shoulder.

15. While recovering from her shoulder surgery, defendant Stanley injured her right biceps tendon. Since this injury occurred during her recovery and was in close proximity to the right shoulder injury, DOL-OWCP included defendant Stanley's biceps injury as part of her WC benefits claim.

16. On or about March 22, 2006, defendant Stanley had a successful surgical repair of the torn right biceps tendon.

17. Defendant Stanley's claim was approved by DOL-OWCP and she started receiving benefits dating back to November 12, 2005.

### **THE SCHEME TO DEFRAUD**

18. From in or about July 2006 through on or about November 20, 2010, defendant

#### **BARBARA STANLEY**

devised and intended to devise a scheme to defraud the DOL and OWCP and to obtain money and property from DOL and OWCP by fraudulently claiming that she had sustained a work related injury from which she had never recovered, when in fact, she had recovered from the alleged work related injury by in or about July 2006.

19. It was the object of the scheme described in paragraph 18 for defendant Barbara Stanley to receive more than \$164,000 worth of FECA WC benefits payments to which she was not entitled.

### **MANNER AND MEANS**

It was part of the scheme that:

20. Defendant Stanley failed to inform DOL-OWCP of any improvements in her work related injury or that she had recovered from her work related injury in July 2006.

21. Defendant Stanley falsely and fraudulently claimed to A.T. and other physicians that she was suffering from physical limitations and restrictions that were greater than her actual limitations. As a result of her misrepresentations, defendant Stanley's physicians continued to offer medical opinions that defendant Stanley's work related injuries prevented her from performing employment.

22. Defendant Stanley also failed to disclose to DOL-OWCP that she was performing both paid and volunteer work, including that she was an active member of the Eastern Arabian Amateur Horse Association, and that she had been actively riding and competing during the 2005, 2006, 2007, 2008, 2009 and 2010 horseback riding seasons.

23. As a result of her failure to notify USPS or DOL-OWCP of a change or improvement in her work related injury, DOL-OWCP continued to approve her claims and would thereby cause the United States Department of the Treasury (DOT) to issue a monthly check on behalf of DOL and OWCP, which DOT sent to defendant Stanley through the United States mail.

24. From in or about July 2006 through on or about November 20, 2010, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**BARBARA STANLEY,**

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by the United States Postal Service, according to the directions thereon, the items described below, each mailing constituting a separate count:

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION OF MAILING</u>
1	October 25, 2008	Check payable to Barbara Stanley in the amount of \$1,278.16.
2	March 20, 2009	Check payable to Barbara Stanley in the amount of \$5,904.36.

<b><u>COUNT</u></b>	<b><u>DATE</u></b>	<b><u>DESCRIPTION OF MAILING</u></b>
3	November 21, 2009	Check payable to Barbara Stanley in the amount of \$2,953.18.
4	January 16, 2010	Check payable to Barbara Stanley in the amount of \$2,953.18.
5	November 20, 2010	Check payable to Barbara Stanley in the amount of \$2,953.70.

All in violation of Title 18, United States Code, Section 1341.

**COUNT SIX**

**(Conversion of Government Funds)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 23 of Count One of this indictment is incorporated here.
2. Defendant Barbara Stanley improperly received and converted to her own use approximately \$164,428.20 in FECA WB benefits to which she was not entitled and which Barbara Stanley knew that she was not entitled to receive.
3. Beginning in or about July 2006 and continuing through in or about November 2010, in the Eastern District of Pennsylvania, defendant

**BARBARA STANLEY**

knowingly converted to her own use money of the United States in excess of \$1,000, that is, approximately \$164,428.20 in WC benefits which she was ineligible to receive.

In violation of Title 18, United States Code, Section 641.

## COUNT SEVEN

### (Conversion of Government Funds)

#### THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 23 of Count One of this indictment is incorporated here.
2. The Office of Personnel Management (“OPM”), administered benefits payable under the Federal Employees Retirement System (“FERS”), pursuant to Title 8, United States Code, Section 8337, which allowed federal employees who become disabled and unable to work after at least five years of government service, to receive OPM disability retirement benefits.
3. Claimants who are approved to receive OPM disability retirement benefits while currently receiving WC benefits must make an election to receive one or the other. Claimants are prohibited from simultaneously receiving WC benefits and OPM disability retirement benefits.
4. On October 10, 2008, defendant Stanley applied for OPM disability retirement benefits.
5. On February 7, 2009, defendant Stanley’s claim for disability retirement was approved by OPM. At that time, defendant Stanley was receiving WC benefits and therefore, ineligible to receive OPM disability retirement payments.
6. On or about February 17, 2009, defendant Stanley sent letters to both OPM and DOL-OWCP indicating that she wished to stay on WC benefits and not to receive disability retirement benefits at that time.
7. However, OPM erroneously continued to send defendant Stanley monthly disability retirement payments via direct deposit to her account at National Penn Bank. From in



or about February 2009 through in or about December 2010, OPM defendant Stanley received approximately \$50,094 in OPM disability retirement benefits that she was not entitled to receive.

8. Defendant Stanley knew that she was receiving these payments in error and moved them from her account at National Penn Bank to another account that she opened at the bank. Additionally, on or about November 22, 2010, defendant Stanley falsely stated to DOL-OWCP that she was not receiving OPM disability retirement benefits.

9. Defendant Stanley subsequently began making withdrawals from the account until there was only approximately \$12,454.36 left in the account. In total, defendant Stanley improperly received and converted to her own use approximately \$37,639.64 of the OPM disability retirement benefits that she was not entitled to receive.

10. Beginning in or about February 2009 and continuing through in or about December 2010, in the Eastern District of Pennsylvania, and elsewhere, defendant

**BARBARA STANLEY**

knowingly converted to her own use money of the United States in excess of \$1,000, that is, approximately \$37,639.64 in OPM disability retirement benefits in which she was ineligible to receive.

In violation of Title 18, United States Code, Section 641.

**COUNT EIGHT**

**(False Statement)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 23 of Count One of this indictment is incorporated here.
2. On or about November 22, 2010, in the Eastern District of Pennsylvania, defendant

**BARBARA STANLEY,**

in a matter within the jurisdiction of the Department of Labor, an agency of the executive branch of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations on a DOL Current Capability Evaluation Form in that defendant Barbara Stanley stated that she could not lift more than 5 lbs and that she could not carry a 5 lb to 10 lb item or reach an object above her shoulder, when, as the defendant well knew, she could lift and carry an object greater than 5 lbs and could reach an object above her shoulder.

In violation of Title 18, United States Code, Section 1001(a)(2).

**COUNT NINE**

**(False Statement Regarding Federal Workers' Compensation Benefits)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 23 of Count One of this indictment is incorporated here.
2. On or about December 14, 2009, in the Eastern District of Pennsylvania, defendant

**BARBARA STANLEY,**

with intent to defraud and to continue to receive workers' compensation benefits to which she was not entitled, knowingly and willfully provided false information on DOL-OWCP form EN1032 in connection with the receipt of WC benefits in excess of \$1,000, by claiming that she had not performed any volunteer work in the previous 15 months, when, as the defendant well knew, she had performed volunteer work for the Eastern Arabian Amateur Horse Association.

In violation of Title 18, United States Code, Section 1920.

**COUNT TEN**

**(False Statement Regarding Federal Workers' Compensation Benefits)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 22 of Count One of this indictment is incorporated here.
2. On or about November 22, 2010, in the Eastern District of Pennsylvania, defendant

**BARBARA STANLEY,**

with intent to defraud and to continue to receive workers' compensation benefits to which she was not entitled, knowingly and willfully provided false information in connection with the receipt of WC benefits in excess of \$1,000, by stating to a Department of Labor interviewer that she could not lift more than 5 lbs, could not carry a 5 lb to 10 lb item, could not lift a vacuum or laundry, and that she only rode a horse once every two to three weeks, when, as the defendant well knew, she could lift and carry an object greater than 5 lbs, could lift a vacuum or laundry, and that she was actually riding her horses approximately twice week.

In violation of Title 18, United States Code, Section 1920.

**COUNT ELEVEN**

**(False Statement Regarding Federal Workers' Compensation Benefits)**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1 through 22 of Count One and paragraphs 2 through 9 of Count Seven of this indictment are incorporated here.

2. On or about November 22, 2010, in the Eastern District of Pennsylvania, defendant

**BARBARA STANLEY,**

with intent to defraud and to continue to receive workers' compensation benefits to which she was not entitled, knowingly and willfully provided false information on DOL-OWCP form EN1032 in connection with the receipt of workers' compensation benefits in excess of \$1,000, by claiming that she had not received an OPM disability retirement payment in the previous 15 months, when, as the defendant well knew, she was receiving OPM disability retirement payments.

In violation of Title 18, United States Code, Section 1920.

## NOTICE OF FORFEITURE

### THE UNITED STATES ATTORNEY CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 641, and 1341, set forth in this indictment, defendant

#### **BARBARA STANLEY**

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offenses, including, but not limited to the sum of approximately \$202,067.84.

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

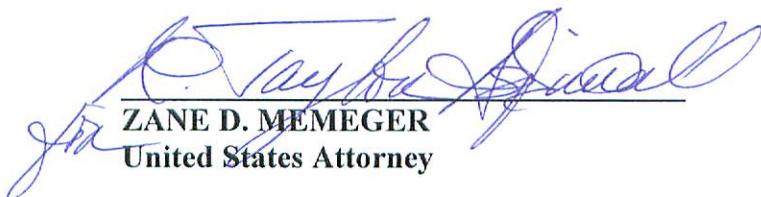
- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot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

it is the intent of the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(c), 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 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(c).

**A TRUE BILL:**

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**GRAND JURY FOREPERSON**

  
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**ZANE D. MEMEGER**  
**United States Attorney**