UNITED STATES DISTRICT COURT

MIDDLE DISTRICT OF LOUISIANA

INDICTMENT FOR WIRE FRAUD, FINANCIAL AID FRAUD, ENGAGING IN MONETARY TRANSACTIONS INVOLVING PROPERTY DERIVED FROM SPECIFIED UNLAWFUL ACTIVITY AND NOTICE OF FORFEITURE

UNITED STATES OF AMERICA	:	CRIMINAL NO. 20- 52-BAJ-RLB
	:	
versus	:	18 U.S.C. § 1343
	:	20 U.S.C. § 1097(a)
ELLIOTT STERLING	:	18 U.S.C. § 1957
	:	18 U.S.C. § 981
	:	18 U.S.C. § 982
	:	28 U.S.C. § 2461

THE GRAND JURY CHARGES:

At All Relevant Times Herein:

Introduction to the Federal Student Aid Program

1. The United States Department of Education ("DOE"), a cabinet agency of the United States Government, was established to ensure equal access to education and to promote education throughout the United States. The DOE provided oversight and administration of the Federal Student Aid ("FSA") Program authorized by Title IV of the Higher Education Act of 1965, which assisted qualified students in obtaining post-secondary education.

2. One of the functions of the DOE was to operate, administer, and regulate various FSA programs, including the federal Pell Grant Program and the Federal Direct Loan Program.

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3. The Pell Grant Program provided federal funding to eligible students in need of financial assistance in order to pursue post-secondary education at participating institutions. Eligibility was based primarily on financial need and, unlike guaranteed student loan programs, Pell Grants did not need to be repaid.

4. Since June 2010, the Federal Direct Loan Program has become the primary source of student loans to college students. The Federal Direct Loan Program provided low-interest loans to eligible students to help cover the cost of higher education at participating schools. Higher education loans obtained through the Federal Direct Loan Program were made directly from the DOE to students and were administered by the DOE.

5. The DOE promulgated regulations that specified the eligibility requirements and application procedures for students applying for federal aid under the FSA programs. Among other requirements, each applicant had to be enrolled at a DOE-approved institution, and each applicant must have earned a high school diploma or its equivalent; incarcerated students were ineligible to receive Federal Direct Loans while incarcerated.

6. FSA funds could only be used for educational purposes and could be used to satisfy tuition and fees charged by the institution and other expenses incurred by the student to pursue an educational purpose, such as books, supplies, transportation, and living expenses.

The FSA Application Process

7. To apply for FSA funds, applicants were required to truthfully complete an application for federal student aid called the "Free Application for Federal Student Aid" ("FAFSA"), which could be completed on a DOE website and submitted electronically via the Internet.

8. The FAFSA website contained an instructional section titled "Financial Aid Eligibility" that set forth the basic eligibility criteria, which included "having a high school diploma or a recognized equivalent such as a General Educational Development (GED) certificate."

9. An additional link was available on the FAFSA website titled "Eligibility for Students with Criminal Convictions," which advised that "[i]f you are [incarcerated] in a federal or state institution, you can't get a Federal Pell Grant or federal student loans," and that "[i]f you are [incarcerated] in an institution other than a federal or state institution, you can't get federal student loans."

10. In order to obtain FSA funds, the FAFSA required an applicant to truthfully disclose certain personal identifying information ("PII"), including, but not limited to, the applicant's name, date of birth, and Social Security number. The FAFSA also required the applicant to truthfully report the applicant's education level, income, family status, number of dependents, and whether the applicant received benefits from other federal programs, such as Medicaid, supplemental security income ("SSI"), Supplemental Nutrition Assistance Program ("SNAP") benefits, and/or Special Supplemental Nutrition Program for Women, Infants, and Children ("WIC") funds.

11. Each applicant was assigned an FSA ID, which consisted of a unique user-created name and password. The FSA ID could be used to access the DOE's FAFSA website to complete a FAFSA, electronically sign a FAFSA, access a FAFSA, correct a FAFSA, review financial aid history, access Federal Direct Loan information and tools, and electronically sign Master Promissory Notes.

12. The FAFSA website cautioned applicants that applicants and parents/other preparers should create and use their own FSA IDs because "the FSA ID acts as a legal signature that should not be shared" and letting someone else create the applicant's FSA ID was not allowed.

13. If the FAFSA was prepared by someone other than the applicant, or if a fee was paid to someone for advice or assistance for completing the FAFSA, then the non-applicant preparer was required to complete a section of the FAFSA identifying the preparer's name, firm, address, Social Security number, employer ID number, and signature.

14. If any documents related to the federal student aid programs were signed using an FSA ID, then the applicant and/or preparer assumed responsibility of the accuracy of the contents and certified that (a) they were the person identified by that FSA ID; (b) they had not disclosed that FSA ID to anyone else; (c) the federal financial aid would only be used to pay the cost of attending an institution of higher education; and (d) all of the information contained on the FAFSA was true and complete to the best of the applicant and/or preparer's knowledge.

Process for Determination of FSA Award

15. Electronically submitted FAFSAs were received and processed by the DOE's Central Processing System ("CPS"). The information provided by an applicant on the FAFSA was used to calculate an applicant's Expected Family Contribution ("EFC"), which was the amount the applicant, or the applicant's family, was expected to contribute towards the applicant's post-secondary education costs.

16. Between 2008 and August 2, 2018, the CPS servers that received FAFSA submissions were located in Plano, Texas. Since August 5, 2018, the CPS servers that received FAFSA submissions have been located in Clarksville, Virginia.

17. The EFC and other information calculated by CPS were included in a Student Aid Report that was sent to the applicant. This same information was also included in an Institutional Student Information Record ("ISIR") that was sent to the applicant's school of choice, where Financial Aid Administrators determined the applicant's need for federal student aid from the DOE by subtracting the EFC from the applicant's cost of attendance.

18. The DOE and post-secondary educational institutions relied upon, most importantly, the truthfulness and accuracy of the information provided on the FAFSA to determine whether the student was eligible to receive student financial aid and to determine the amount of any student loan or Pell Grant to be awarded. Factors that could affect the amount of FSA awarded included whether the applicant was married, had children, or other dependents, the applicant's income, whether the applicant had certain criminal convictions, and whether the applicant had obtained a high school diploma, GED, or other high school equivalency ("HSE") degree.

19. To receive financial aid from the DOE in the form of a student loan, an applicant was required to execute a Master Promissory Note, which included a promise to pay to the DOE all loan amounts disbursed under the terms of the Master Promissory Note. The applicant was required to identify two personal references and electronically sign the Master Promissory Note acknowledging the terms of the loan.

<u>Baton Rouge Community College and FSA Funding</u>

20. Baton Rouge Community College ("BRCC") was an approved post-secondary institution located within the Middle District of Louisiana. BRCC participated in FSA programs and was authorized to award FSA funds to eligible students. Students applied for admission to BRCC by submitting an application online through BRCC's website. Students enrolled at BRCC could obtain financial aid, including Federal Direct Loans and Pell Grants, from the federal government through the FAFSA application process.

21. Once a student was admitted into BRCC, the student received, through the email address designated on the BRCC application, instructions on how to create a unique Log On Louisiana ("LoLA") account through which they could register for classes, review their course schedule, check on the status of financial aid requests and disbursements, check grades, and review registration and contact information.

22. To ensure that FSA funds were awarded to approved institutions of higher education, FSA funds were disbursed through the DOE's G5 payment system. In this case, after BRCC requested FSA funds from the DOE on behalf of students who requested FSA assistance, the G5 payment system deposited the funds into BRCC's designated bank account(s). Upon receipt of those FSA funds, BRCC credited the funds to the student's financial aid account and applied the funds to cover the student's tuition, fees, and other educationally-related charges incurred by the student at BRCC.

23. Before disbursing FSA funds, BRCC would occasionally select applications for additional verification, and through the LoLA account, BRCC would notify the students of what additional information and/or documentation was needed to verify the student's

eligibility for financial aid, such as proof of high school diploma or GED/HSE, tax returns, and documentation relating to income, dependents, and expenses.

24. If the amount of federal financial aid received by BRCC exceeded the cost of attendance for a particular student, BRCC paid the credit balance, sometimes referred to as a "refund check," "credit refund," or "Title IV refund," to the student through BRCC's student loan servicer.

25. Federal regulations required that students earn their financial aid funds by attending and actively participating in courses. Disbursements were made once attendance had been confirmed by instructors, typically after the 14th day of classes. If a student failed to earn their FSA funds through participation in classes, their financial aid enrollment level and eligibility could be reduced.

FSA Loan Servicing

26. BRCC used student loan servicer BankMobile to process student credit refunds. BankMobile, a Connecticut company, was a division of Customer's Bank, which was a Pennsylvania company.

27. Each FSA applicant received a BankMobile account with a unique bank account number for receipt of credit refunds; the account was accessed by a user-created login, password, and security questions. Once created, the student applicants could designate whether the funds would be deposited into their BankMobile account or into another specified bank account. Funds deposited into the student's BankMobile account were accessible through a debit card that was mailed to the student and also through the online bank account. BankMobile debit cards could be activated on the Internet, and account information could be accessed through the Internet.

The Defendant and His Entity

28. **ELLIOTT STERLING ("STERLING")** was a resident of Baton Rouge, Louisiana. Between January 1, 2017, and April 21, 2020, **STERLING** had no reported wages with the Louisiana Department of Labor. Additionally, **STERLING** did not file federal income tax returns for tax years 2016, 2017, and 2018. During the dates referenced in this Indictment, **STERLING** opened and/or controlled two personal checking accounts, including a JP Morgan Chase Bank account ending in 1905 ("Chase Acct. #1905") and a Pelican State Credit Union account ending in 007 ("Pelican Acct. #007).

29. STERLING EDUCATIONAL CONSULTING, LLC ("SEC") was a Louisiana limited liability company that was created in March 2019 with its registered address in Baton Rouge, Louisiana. SEC was owned, operated, and controlled by **STERLING**; he was its registered agent. SEC purportedly operated as an educational consulting business, wherein individuals allegedly engaged SEC for assistance enrolling in classes at BRCC and applying for federal grants and student loans through the FAFSA application process. During the dates referenced in this Indictment, **STERLING** opened and/or controlled business accounts in the name of SEC, including JP Morgan Chase Bank account ending in 5588 ("SEC's Chase Acct. #5588") and accounts at Woodforest Bank and Business First Bank.

Other Relevant Individuals and Entities Used by STERLING

30. Individuals A, B, C, and D, were residents of the Middle District of Louisiana. In 2018, **STERLING** knowingly facilitated and caused them to be enrolled in BRCC, and thereafter, **STERLING** caused DOE to disburse FSA funds on each's behalf, even though Individuals A, B, C, and D had not earned a high school diploma or GED.

31. Individual E was incarcerated in the Louisiana Department of Corrections in 2018 when **STERLING**, while knowing this fact, facilitated and caused FSA funds in the name of Individual E to be deposited into Chase Acct. #1905.

32. Individual F was incarcerated in East Baton Rouge Parish Prison ("EBRPP") in 2019 when **STERLING**, while knowing this fact, facilitated and caused FSA funds in the name of Individual F to be deposited into Chase Acct. #1905.

33. Individual G was a resident of the Middle District of Louisiana. In 2018 and 2019, **STERLING** knowingly facilitated and caused him/her to be enrolled in BRCC, and thereafter, **STERLING** caused DOE to disburse FSA funds on Individual G's behalf, even though Individual G had not earned a high school diploma or GED. Additionally, Individual G was incarcerated in EBRPP in 2019 when **STERLING**, while knowing this fact, facilitated and caused FSA funds in the name of Individual G to be deposited into Chase Acct. #1905.

34. Individual H was the principal and owner of High School 1, a Louisiana non-profit corporation that was created in 2011, with its principal place of business in Baton Rouge, Louisiana. High School 1 was reportedly was a high school that offered courses that enabled students to earn either a high school diploma or GED.

COUNTS ONE THROUGH NINE
(Wire Fraud)

Scheme to Defraud

35. Paragraphs 1 through 34 of this Indictment are incorporated herein by reference as factual allegations.

36. Beginning on or about a date unknown, but no later than in or about September 2017, and continuing through in or about November 2019, in the Middle District of Louisiana, and elsewhere, **ELLIOTT STERLING**, defendant herein, and others known and unknown to the Grand Jury, devised and intended to devise a scheme to defraud the United States and to obtain money and property from the United States, by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing the scheme and attempting to do so, did knowingly transmit certain wire communications in interstate commerce.

Purpose of the Scheme to Defraud

37. The purpose of **STERLING**'s scheme was to defraud and obtain money from the United States and for **STERLING** to unlawfully enrich himself and others.

Manner and Means of the Scheme to Defraud

38. The manner and means by which **STERLING** sought to accomplish the purpose of the scheme to defraud included, among other things, the following:

39. Beginning no later than September 2017, **STERLING** solicited potential students to enroll in classes at BRCC; he also encouraged the potential students to refer other individuals to him. **STERLING** told many of the potential students that he could assist them for a fee and promised some that they could receive free federal financial aid.

40. **STERLING** obtained the PII for each potential student, which he used to electronically submit applications for admission to BRCC on their behalf and enroll them in classes at BRCC. In order to accomplish this, **STERLING** created email addresses and LoLA accounts on behalf of each potential student, many times without the student's knowledge, which he used to log into the accounts he established in their names.

41. **STERLING** obtained a unique FSA ID in the name of each potential student, and **STERLING** used each student's PII and FSA ID to apply for federal financial aid funds on their behalf; **STERLING** electronically submitted FAFSAs on behalf of each student through the DOE website. At times, **STERLING** assisted potential students on how to electronically submit a FAFSA on their own.

42. Typically, the potential students did not have access to the email addresses or login information that **STERLING** created on their behalf and did not have access to their own BRCC, LoLA, or FAFSA accounts.

43. Unbeknownst to many of the potential students, **STERLING** electronically signed Master Promissory Notes obligating each student to repay federal financial aid loans **STERLING** had obtained in their names. **STERLING** frequently used false personal references on the Master Promissory Notes he signed for potential students and often used the same personal references for multiple students, even though the students did not know the personal references **STERLING** utilized.

44. The FAFSAs that **STERLING** personally created and electronically submitted on behalf of the potential students contained material false information and false representations.

45. In most cases, **STERLING** falsely reported on required forms that the student had earned a high school diploma or GED/HSE, when they had not. For instance, **STERLING** submitted FAFSAs and obtained FSA funds on behalf of over 250 individuals; however, only approximately 32 had earned the requisite high school diploma or GED/HSE that would make them eligible for FSA funding.

46. In some cases, **STERLING** falsely reported the student's income or the student's receipt of other federal benefits, such as Medicaid, SSI, SNAP benefits, and/or WIC funds.

47. Occasionally, **STERLING** incorrectly reported the number of the student's dependents. For example, in order to obtain FSA funds, **STERLING** falsely certified that Individual B had children and/or dependents when he submitted Individual B's FAFSA to the DOE and further directed Individual B to list a fictitious dependent on BRCC verification paperwork, even though **STERLING** knew that Individual B did not have children or dependents.

48. **STERLING** made false representations regarding whether some students had been convicted of drug offenses, which would have required additional forms to be completed by the student before eligibility could be determined.

49. In every case, **STERLING** concealed from the DOE his identity as the preparer, or person who received a fee for assistance, on the FAFSAs he submitted on behalf of potential students and further failed to disclose his name, address, Social Security number, employer ID number, or to sign the FAFSAs. Instead, **STERLING** electronically signed the FAFSAs with the potential students' FSA IDs instead of a FSA ID that identified himself. By failing to identify himself as the preparer and submitter of the FAFSAs, **STERLING** attempted to avoid responsibility for the contents of the false FAFSAs.

50. When students inquired about needing a high school diploma or GED/HSE, **STERLING** told some students that they could earn a GED while taking courses at BRCC; however, **STERLING** concealed the fact that students could not receive financial aid while taking GED courses.

51. Because **STERLING** electronically signed the FAFSAs and Master Promissory Notes on behalf of the students, most students were not aware of the certifications being made by **STERLING**.

52. **STERLING** was able to conceal from most students that they were obligated to repay loans that he had obtained under false pretenses; **STERLING** misled some potential students by mischaracterizing FSA loans as Pell Grants that did not need to be repaid.

53. In some instances, **STERLING** told students who had not earned a high school diploma or GED/HSE that he would provide fake diplomas. For example, **STERLING** informed Individual D that he would create a high school diploma or GED if needed when Individual D informed **STERLING** that he/she never had a valid diploma or transcript.

54. To further his scheme, **STERLING** paid for and obtained fake High School 1 diplomas on behalf of approximately 42 students who never attended High School 1. For approximately 17 of those students, **STERLING** falsely represented to Individual H that they had earned a GED from Jefferson Online and Technical High School ("Jefferson") and provided Individual H with fake Jefferson transcripts.

55. In response to requests for additional verification by the BRCC Financial Aid Office, **STERLING** provided BRCC with false information, or directed the students to do so, using the same information for multiple students' forms.

56. In many cases, **STERLING** accompanied the student to BRCC's campus and instructed the student on how to complete, sign, and turn in the documentation. In some instances, **STERLING** falsely presented himself as a student and even solicited, and offered to pay, individuals to impersonate students at the BRCC Financial Aid Office.

57. **STERLING** created BankMobile accounts for each student for the purpose of receiving federal financial aid refunds, but in most cases, **STERLING** did not provide students with access to these accounts, or the email addresses or login information used to create, access, and operate these bank accounts.

58. In the majority of cases, **STERLING** set the BankMobile refund preferences so that the refunds would be deposited into **STERLING**'s Chase Acct. #1905 or SEC's Chase Acct. #5588.

59. In other cases, **STERLING** set the refund preferences for funds to remain in the students' BankMobile accounts, which caused debit cards to be issued to the students.

60. On some occasions, **STERLING** electronically transferred or attempted to transfer, for his personal enrichment, FSA funds from the students' BankMobile accounts to his personal Chase account or personal Square (also known as CashApp) account without the students' knowledge.

61. After receiving federal financial aid refunds into his personal or business accounts, **STERLING** typically directed students to meet him at a local Chase bank branch, where he caused cashier's checks, for a portion of the refund amount and in the names of the students, to be issued from his personal or business accounts. Regularly, **STERLING** kept a portion of funds intended as refunds for the students in his personal or business accounts without the students' knowledge.

62. Despite having retained a portion of the refunds in his bank accounts, upon issuance and cashing of the students' cashier's checks, **STERLING** required the students to give him a portion of the cashed check as a fee for his assistance.

63. For instance, on behalf of Individual C, **STERLING**'s scheme caused approximately $6,895.55 in FSA funds to be deposited into **STERLING**'s Chase Acct. #1905. **STERLING** then issued a cashier's check to Individual C in the amount of $3,500 and retained the remaining balance of the FSA funds for his personal enrichment. Upon cashing the cashier's check, **STERLING** gave only $1,000 to Individual C, and **STERLING** kept an additional $2,500 for his personal enrichment.

64. **STERLING** retained FSA funds for his personal enrichment while aware that some students (a) never intended to attend school after receiving financial aid funds; (b) were not using the funds for educational purposes; or (c) were incarcerated and therefore ineligible to receive federal financial aid loans.

65. For example, **STERLING**, knowing that at least five students were incarcerated at the time that their FSA loan funds were deposited into **STERLING**'s Chase Acct. #1905, arranged for FSA funds to be used for non-educational purposes, such as to be given to the incarcerated students' family members or used to post bonds for their release from incarceration.

66. In furtherance of his scheme to defraud, **STERLING** did the following: (a) concealed from the DOE, BRCC, BankMobile, and the students, his sole control of the FAFSA, BRCC, and BankMobile accounts and the fact that he directed the bank accounts to which refunds would be disbursed; (b) failed to disclose the full amount of financial aid disbursed on behalf of the students; (c) retained a large portion of the funds for himself, sometimes without the students' knowledge; and (d) enrolled some students in subsequent semesters without their knowledge in order to receive additional FSA funds for his and others' personal enrichment.

Wire Transmissions

67. On or about the following dates, in the Middle District of Louisiana and elsewhere, **ELLIOTT STERLING**, defendant herein, for the purpose of executing the above-described scheme, and attempting to do so, did knowingly transmit and cause to be transmitted by means of the following wire communications in interstate commerce, certain writings, signs, signals, pictures, and sounds, with each wiring constituting a separate count:

Count	Date	Description
1	December 4, 2017	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Texas, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual A.
2	December 22, 2017	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Texas, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual B.
3	January 24, 2018	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Texas, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual C.
4	May 24, 2018	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Texas, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual D.
5	July 26, 2018	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Texas, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual A.
6	July 26, 2018	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Texas, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual B.

7	July 26, 2018	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Texas, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual C.
8	September 24, 2018	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Virginia, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual C.
9	September 24, 2018	**STERLING** caused an interstate wire communication to be transmitted from the Middle District of Louisiana, through servers located in Virginia, in connection with the submission of a FAFSA, which contained false material information, on behalf of Individual D.

Each of the above is a violation of Title 18, United States Code, Section 1343.

COUNTS TEN THROUGH THIRTEEN
(Financial Aid Fraud)

68. Paragraphs 1 through 67 of this Indictment are incorporated herein by reference as factual allegations.

69. From on or about a date unknown, but no later than in or about September 2017, and continuing through in or about November 2019, within the Middle District of Louisiana, and elsewhere, **ELLIOTT STERLING**, defendant herein, did knowingly and willfully misapply, steal, and obtain by fraud and false statement, federal student financial aid funds in excess of $200, which funds were provided and insured under Subchapter IV of Chapter 28 of Title 20 of Part C of Subchapter 1 of Chapter 34 of Title 42, United States Code; that is, federal Pell Grants and Federal Direct Loans as below described, each of which constitute a separate count:

Count	Date	Description of Financial Aid Fraud
10	November 13, 2018	**STERLING** received a direct deposit of FSA funds into Chase Acct. #1905 in the amount of $1,732 in the name of Individual E, who was incarcerated at the time of the deposit.
11	January 9, 2019	**STERLING** received and deposited a BankMobile issued check into Chase Acct. #1905 in the amount of $4,194.46 in the name of Individual F, who was incarcerated at the time of the deposit.
12	February 5, 2019	**STERLING** received a direct deposit of FSA funds into Chase Acct. #1905 in the amount of $846.32 in the name of Individual G, who was incarcerated at the time of the deposit.
13	February 8, 2019	**STERLING** received a direct deposit of FSA funds into Chase Acct. #1905 in the amount of $4,701 in the name of Individual G, who was incarcerated at the time of the deposit.

Each of the above is a violation of Title 20, United States Code, Section 1097(a).

COUNT FOURTEEN
(Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity)

70. Paragraphs 1 through 69 of this Indictment are incorporated herein by reference as factual allegations.

71. On or about March 19, 2019, in the Middle District of Louisiana, **ELLIOTT STERLING**, defendant herein, knowingly engaged and attempted to engage in monetary transactions involving criminally derived property of a value greater than $10,000, which property was derived from a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, which transaction affected interstate commerce, that is, **STERLING** caused the withdrawal of $256,000 from **STERLING**'s Chase bank account ending in 1905 for conversion of funds to official bank check number xxxxxx5745.

The above is a violation of Title 18, United States Code, Section 1957.

NOTICE OF FORFEITURE

72. Upon conviction of an offense in Counts One through Nine and Count Fourteen of this Indictment, **ELLIOTT STERLING**, defendant herein, shall forfeit to the United States, pursuant to 18 U.S.C. §§ 981(a)(1)(A) and (a)(2)(A) and 28 U.S.C. § 2461(c), the following:

a. any and all property that constitutes or is derived from proceeds the defendant obtained directly or indirectly as a result of the wire fraud scheme (Counts One through Nine) and

b. any and all property, real and personal, involved in the money laundering offense (Count Fourteen) or any property traceable to such property,

including but not limited to the following:

a. The funds formerly held in Pelican State Credit Union account number ending in 007 in the name of Elliott Sterling, which funds were seized on or about May 5, 2020, from Pelican State Credit Union, and which are currently being held by the United States Marshals Service; and

b. $130,000 formerly held by JP Morgan Chase Bank in connection with cashier's check number xxxxxx6348, issued on July 24, 2019, and made payable to Elliott Sterling, which funds were seized on or about May 5, 2020, from JP Morgan Chase Bank, and which are currently being held by the United States Marshals Service.

73. Upon conviction of the offense in Count Fourteen of this Indictment, **ELLIOTT STERLING**, defendant herein, shall forfeit to the United States pursuant to 18

U.S.C. § 982(a)(1), any and all property, real and personal, involved in such offense, and all property traceable to such property, including but not limited to the following,

a. The funds formerly held in Pelican State Credit Union account number ending in 007 in the name of Elliott Sterling, which funds were seized on or about May 5, 2020, from Pelican State Credit Union, and which are currently being held by the United States Marshals Service; and

b. $130,000 formerly held by JP Morgan Chase Bank in connection with cashier's check number xxxxxx6348 issued on July 24, 2019, and made payable to Elliott Sterling, which funds were seized on or about May 5, 2020, from JP Morgan Chase Bank, and which are currently being held by the United States Marshals Service.

74. If any of the above-described forfeitable property, because 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 to seek a forfeiture money judgment against the defendant, and it is also the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant as substitute property up to the value of the forfeitable property described above.

UNITED STATES OF AMERICA, BY

BRANDON J. FREMIN
UNITED STATES ATTORNEY
MIDDLE DISTRICT OF LOUISIANA

JESSICA JARREAU
ASSISTANT UNITED STATES ATTORNEY

A TRUE BILL

REDACTED
PER PRIVACY ACT

GRAND JURY FOREPERSON

August 3, 2020

DATE

Criminal Cover Sheet **U.S. District Court**

Place of Offense:

City Baton Rouge

County/Parish East Baton Rouge

Matter to be sealed: _____ No __X__ Yes

Related Case Information:

Superseding Indictment _____ Docket Number __________
Same Defendant ____________ New Defendant __X__
Magistrate Case Number ____________________
Search Warrant Case No. ____________________
R 20/ R 40 from District of ____________________
Any Other Related Cases: ____________________

Defendant Information:

Defendant Name: Elliott Sterling

U.S. Attorney Information:

AUSA Jessica Jarreau Bar # LABN 31204

Interpreter: ☒No ☐ Yes **List language and/or dialect:** ___________

Location Status:

Arrest Date ____________________

________ Already in Federal Custody as of
________ Already in State Custody
________ On Pretrial Release

U.S.C. Citations:

Total # of Counts: 14

Index Key/Code	**Description of Offense Charged**	**Count(s)**	**Petty/ Misdemeanor/ Felony**
18:1343	Wire fraud	1 – 9	F
20:1097(a)	Financial aid fraud	10 – 13	F
18:1957	Engaging in monetary transactions involving property derived from specified unlawful activity	14	F

Date: 8/3/2020 **Signature of AUSA:** Jessica Jarreau

District Court Case Number (To be filled in by deputy clerk): ____________________