

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

CIVILIAN NAVY EMPLOYEE WHO DEFRAUDED NAVY AND VA OF OVER \$350,000 IN BENEFIT PAYMENTS TO SERVE 2 YEARS IN PRISON

NEWS RELEASE SUMMARY – July 23, 2013

United States Attorney Laura E. Duffy announced that veteran Leray Shurn was sentenced yesterday to serve two years in federal prison by United States District Court Judge Thomas J. Whelan for running a landscaping business while claiming worker's compensation and unemployment benefits from the Department of the Navy (Navy) and Department of Veterans Affairs (VA) to which he was not entitled. Judge Whelan also ordered Shurn to pay \$357,977 in restitution and a \$5,000 fine. Shurn's fraud spanned more than five years and cheated two U.S. government agencies out of over \$350,000.

According to evidence presented during trial, Shurn falsely represented to the Navy and VA that back and later knee injuries prevented him from working as a Navy civilian employee, and that he was not engaged in any employment where he received payment of any kind, was not self-employed, was not involved in any business enterprises, and did not have an ownership interest in any business enterprises. He also falsely claimed that his disability prevented him from being able to obtain employment.

In January 2013, a jury returned guilty verdicts on all 16 counts of fraud (5 counts of mail fraud, 4 counts of wire fraud, 5 counts of fraud to obtain federal employee's compensation, and 2 counts of false statements to the VA). During the trial, the jury heard and saw evidence, including video recordings, that Shurn operated a landscaping business in which he personally performed landscaping work for numerous customers, provided customers with his business card for "Leray's Landscaping" as well as monthly invoices, and represented to landscaping suppliers that he was in the landscaping business. The jury also received evidence that while Shurn was concealing his landscaping business from the Navy and VA, he completed a survey in which he indicated that he was a business owner.

United States Attorney Duffy added, "During these difficult budgetary times, submission of fraudulent claims harms our community and government agencies by diverting financial resources away from those with legitimate claims who are most in need of benefits payments and prevents agencies from funding other priorities."

DEFENDANT

Case Number: 12CR1053-W

Leray Shurn

SUMMARY OF CHARGES

16 Counts

Title 18, United States Code, Section 1341 - Mail Fraud

Title 18, United States Code, Section 1343 - Wire Fraud

Title 18, United States Code, Section 1920 - False Statement or

Fraud to Obtain Federal Employee's Compensation

Title 18, United States Code, Section 1001 - False Statement to a Government Agency

INVESTIGATING AGENCIES

Naval Criminal Investigative Service

Department of Veterans Affairs Office of Inspector General