

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA * **CRIMINAL NO. 12-269**

v. * **SECTION: N**

MELODY HUIE *

* * *

FACTUAL BASIS

The defendant, **MELODY HUIE**, (hereinafter, the “defendant” or “**HUIE**”), has agreed to plead guilty as charged to the bill of information now pending against her, charging her with wire fraud, in violation of Title 18, United States Code, Sections 1343 and 2 (Count 1) and tax evasion, in violation of Title 26, United States Code, Section 7201 (Count 2). Both the Government and the defendant, **MELODY HUIE**, do hereby stipulate and agree that the following facts set forth a sufficient factual basis for the crimes to which the defendant is pleading guilty. The Government and the defendant further stipulate that the Government would have proven, through the introduction of competent testimony and admissible, tangible exhibits, the following facts, beyond a reasonable doubt, to support the allegations in the bill of information now pending against the defendant:

The Government would further show that the Internal Revenue Service (“IRS”) was, at all times mentioned in the Bill of Information, an agency of the United States Department of Treasury.

The Government would further show that Company A was a marine transportation company headquartered in New Orleans, Louisiana, within the Eastern District of Louisiana. Company A maintained numerous bank accounts, including a checking account at JPMorgan Chase Bank, N.A. (“Chase”), numbered XXXXXX0753.

The Government would further show that **HUIE** had control over several bank accounts, either in her own name or held jointly with other individuals, including a personal checking account at Chase bearing account number XXXXX6459.

Evidence, including admissible documents and testimony, would be introduced to prove that beginning in or about June 1998, and continuing until in or about September 2011, **HUIE** was employed at Company A. Beginning in April 1999, and continuing until September 2011, **HUIE** served as the General Manager for Accounting for Company A. In her capacity as General Manager for Accounting, **HUIE** was responsible for, among other things, overseeing Company A’s finances and accounts, including reconciling accounts payables and receivables, tracking the employee health benefits program, and disbursing funds for Company A.

Representatives of Company A would testify that, as General Manager for Accounting, **HUIE** was one of three individuals at Company A who was authorized to conduct wire transfers from Company A’s bank accounts.

Representatives of Company A, as well as employees of Chase, would testify that wire transfers from Company A’s Chase checking account numbered XXXXXX0753 had to be

authorized by two of the three employees with authorization to initiate and approve wire transfers. Chase typically called Person A, an employee at Company A and one of the two people other than **HUIE** who was authorized to conduct wire transfers, to verify any wire transfers **HUIE** attempted to initiate.

Representatives of Company A and Chase, as well as a Special Agent with the Federal Bureau of Investigation, would testify that when a wire transfer needed to be sent, **HUIE** would initiate it by making a phone call to Chase's customer service department. When initiating a wire transfer by phone, **HUIE** had to identify herself, specify the account from which she wished to draw the money, and provide a password created by Chase.

Further, representatives of Company A and Chase, Person A, and a Special Agent with the Federal Bureau of Investigation would testify that after obtaining the information from **HUIE**, Chase would attempt to call Person A, who was empowered to authorize wire transfers, to verify the transfer.

The Government would introduce documentary evidence, as well as the testimony of FBI Special Agent Christopher Bauer that between November 2006 and September 7, 2011, **HUIE** generated 114 wire transfers from Company A's Chase checking account to personal bank accounts under her control without Company A's authorization. **HUIE** converted the money from these transfers to her own personal use. In total, **HUIE** embezzled approximately \$1,370,814.09.

The Government would further introduce documentary evidence, as well as the testimony of employees of Company A and FBI Special Agent Christopher Bauer that **HUIE** initiated the unauthorized wire transfers when she knew that Person A was unavailable. When Person A was

unavailable, his/her telephone calls were forwarded to **HUIE**. After finishing her call with Chase, **HUIE** would answer Chase's phone call to Person A and fraudulently identify herself as Person A. **HUIE** knew where Person A stored his/her password and security information, and **HUIE** provided that password and security information to the Chase representative to verify the unauthorized wire transfer.

To disguise her behavior and to make the fraudulent, unauthorized transactions seem legitimate, **HUIE** (1) added fictitious reference notes, such as "Fund Redemption," "401K Distribution," "1st Quarter Dividend," "2006 Audit Fee," or "Consulting Fee" as a description of the transaction and (2) misspelled the names of recipients.

The Government would introduce documentary evidence and the testimony of Chase employees that each time **HUIE** initiated and "verified" an unauthorized wire transfer, a wire communication, namely an electronic writing, signs, signals and sounds, was sent from the a Chase Bank branch located in New Orleans, Louisiana, to Chase's Wire Department, located in Tampa, Florida.

The Government would further introduce, in particular, documentary evidence and the testimony of representatives of Company A, employees of Chase, and FBI Special Agent Christopher Bauer concerning a wire transfer **HUIE** initiated on or about August 16, 2011, when **HUIE** initiated an unauthorized wire transfer in the amount of \$18,611.00, which **HUIE** fraudulently described as an "Investment Transfer," from Company A's Chase checking account, number, XXXXXX0753, through Chase's Wire Department, and then to a personal Chase checking account under **HUIE'S** control, bearing number XXXXX6459, with such funds to be used for **HUIE'S** personal use.

Additionally, the Government would present documentary evidence and the testimony of Internal Revenue Service - Criminal Investigation Special Agent Patrick Potter to establish that **HUIE** embezzled \$1,370,814.09 from Company A over the course of approximately 114 wire transfers between November 2006 and December 2011. This money constituted taxable income. Further, **HUIE** failed to report the \$1,370,814.09 she stole from Company A between November 2006 and December 2011 on her properly-filed tax returns during the tax years 2006, 2007, 2008, 2009, 2010, and 2011, including failing to report \$424,797.40 worth of money she stole from Company A in tax year 2010. Consequently, **HUIE** concealed the taxable income by preparing tax returns that failed to declare the \$1,370,814.09 of taxable income on her tax returns. As a result, **HUIE** failed to pay income tax during tax years 2006 through 2011, due and owing to the IRS, in the amount of approximately \$446,983.00, including an unpaid tax due and owing in tax year 2010 in the amount of \$139,710.00.

The above facts come from an investigation conducted by, and would be proven at trial by credible testimony from, Special Agents from the Federal Bureau of Investigation, Special Agents from the Internal Revenue Service - Criminal Investigations, as well as employees of

Chase Bank, business records from Chase Bank, documents and tangible exhibits in the custody of the Internal Revenue Service and the Federal Bureau of Investigation, and the statements of the defendant, **MELODY HUIE**.

MELODY HUIE
Defendant

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