

FILED

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

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CLERK OF DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA, FLORIDA

UNITED STATES OF AMERICA

v.

CASE NO. 8:16-cr-318-T-27MAP  
18 U.S.C. § 371

RICHARD LILLISTON

INDICTMENT

SEALED

The Grand Jury charges:

COUNT ONE

(Conspiracy - 18 U.S.C. § 371)

A. Introduction

At times material to this Indictment:

The Social Security Administration

1. The Social Security Administration ("SSA") was a federal agency that administered the Supplemental Security Income ("SSI") program pursuant to Title XVI of the Social Security Act, as codified at 42 U.S.C. §§ 1381-1383a, and also administered the Old Age, Survivor's and Disability Insurance ("OASDI") program, pursuant to Title II of the Social Security Act, as codified at 42 U.S.C. §§ 401-434.

2. SSI was a cash assistance program designed to provide for the aged and disabled who had little or no income or resources. Under the SSI program, United States citizens or legally admitted aliens residing in the United

States could receive payments from SSA, provided they were aged or disabled and met certain income or resource requirements.

3. OASDI provided monthly benefits to qualified retired and disabled workers and their dependents, and to survivors of insured workers. Eligibility and benefit amounts were determined by the worker's contributions to Social Security. Benefits were paid as an earned right to workers, their families, and their survivors. There was no means test to qualify for such benefits.

4. When qualified SSI and/or OASDI beneficiaries lacked the capacity to manage their own program benefits due to their age or physical or mental limitations, SSA approved "representative payees" to receive the beneficiaries' benefits and to use them for the beneficiaries. Thereafter, each representative payee was obligated to receive and use the relevant beneficiary's OASDI and/or SSI program benefits exclusively for that beneficiary.

5. SSA required that a representative payee report to SSA information showing a continuing relationship with the beneficiary, a continuing responsibility for the beneficiary's care, and how the representative payee used the beneficiary's OASDI and/or SSI program benefits. The SSA further prescribed that each representative payee meet other specific, mandatory reporting requirements.

6. In that regard, each representative payee was required to complete and submit to the SSA a Form SSA-6234-OCR-SM ("Form SSA-6234") that included certain information about the beneficiary's living situation and financial

benefits received and expended on behalf of the beneficiary. More specifically, the Form SSA-6234 required the representative payee to list the following or similar information:

- (a) Whether the representative payee decided how the beneficiary's total available benefits were spent or saved;
- (b) Whether the representative payee charged the beneficiary a fee for payee or guardianship services provided during the previous year;
- (c) How much of the beneficiary's total available benefits were spent for the beneficiary's food and housing during the previous year;
- (d) How much of the beneficiary's total available benefits were spent on other items or services for the beneficiary such as clothing, education, medical and dental expenses, recreation, or personal items during the previous year; and
- (e) How much, if any, of the beneficiary's total available benefits was saved for the beneficiary as of the close of the previous year.

7. The Form SSA-6234 further required the representative payee to sign and date the form under the following or like pertinent language:

I declare under penalty of perjury that I have examined all of the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime . . . .

**The Hillsborough Achievement and Resource Centers**

8. The Hillsborough Achievement and Resource Centers, formerly the Hillsborough Association for Retarded Citizens (or "HARC") was established in 1953 to positively impact the future for all people living with developmental disabilities, such as Alzheimer's disease and Down syndrome. In that regard, HARC opened and operated group homes that served its target client population. HARC also spearheaded various community programs for its clients focused on inclusion activities for youths, adults and seniors with disabilities.

**B. The Agreement**

9. Beginning in or around January 2001, and continuing until in or around November 2011, in the Middle District of Florida, and elsewhere,

**RICHARD LILLISTON,**

defendant herein, along with Frank Pannullo, did knowingly and willfully combine, conspire, confederate and agree with certain other HARC executives and employees (hereinafter "HARC conspirators"), both known and unknown, to:

- (a) defraud the United States out of money and property and by impeding, impairing, obstructing, and defeating the lawful functions of the Social Security Administration, in the administration of its SSI and OASDI programs, by deceit, craft, and trickery; and
- (b) commit an offense against the United States, namely, to make materially false, fictitious, and fraudulent statements and representations in Social Security Administration Representative Payee Reports, or Form SSA-6234s, submitted to the Social Security Administration, an agency in the executive branch of the Government of the United States, in violation of Title 18, United States Code, Section 1001.

**C. Manner and Means**

10. The manner and means by which the defendant and others sought to accomplish the objects of the conspiracy included, among others, the following:

(a) It was part of the conspiracy that one or more HARC conspirators would and did open, or caused to be opened, an account at SunTrust bank, commonly referred to within HARC as the "Endowment Account." Later, one or more of the HARC conspirators relocated said Endowment Account from SunTrust bank to Synovus bank.

(b) It was further a part of the conspiracy that, when a HARC client was a qualified SSA program beneficiary but lacked the capacity to manage related program benefits, one or more HARC conspirators would and did seek, or caused others at HARC to seek, SSA approval to act as a "representative payee" to receive and purportedly use said HARC client's SSA benefits exclusively for that client beneficiary.

(c) It was further a part of the conspiracy that one or more HARC conspirators established, or caused others at HARC to establish, a bank account for each individual HARC client to receive and hold any payments or deposits for that HARC client, including the client's monthly SSA program payments.

(d) It was further a part of the conspiracy that, when a HARC client's individual bank account balance reached or approached \$2,000, one or

more HARC conspirators often transferred, or caused to be transferred, funds held in the individual HARC client's bank account to the HARC Endowment Account, which was an account established to purportedly maintain and safeguard the HARC clients' funds for the sole needs and use of each of the relevant HARC clients.

(e) It was further a part of the conspiracy that one or more HARC conspirators would and did wrongfully divert funds, or caused funds to be diverted, from the HARC Endowment Account to another HARC bank account, such as the operating account, and used for various other purposes rather than for the sole needs and use of the relevant HARC clients.

(f) It was further a part of the conspiracy that one or more HARC conspirators would and did create and maintain, or cause to be created and maintained, an Excel worksheet (initially the "Client Endowment Account Summary") that purportedly tracked each individual HARC client's fund balance within the Endowment Account.

(g) It was further a part of the conspiracy that, to conceal that HARC client funds were being wrongfully diverted from the Endowment Account and to make it appear as if the Endowment Account had been properly established and maintained, one or more HARC conspirators would and did sign a backdated document titled "Pooled Trust Joinder Agreement," or other like title.

(h) It was further a part of the conspiracy that one or more of the HARC conspirators would and did complete, or caused to be completed, false

and fraudulent Form SSA-6234s that stated, in pertinent part, that a particular amount of SSA benefits had been spent solely for a particular developmentally disabled HARC client, during a specified period, for such items and services as clothing, education, medical and dental expenses, recreation, or other personal items, when such was not the case.

(i) It was further a part of the conspiracy that one or more of the conspirators would and did submit, or cause to be submitted, to the SSA false and fraudulent Form SSA-6234s.

(j) It was further a part of the conspiracy that one or more of the conspirators would and did participate in meetings, perform various acts, and make statements to accomplish the objects of the conspiracy and to conceal the conspiracy.

#### **D. Overt Acts**

11. In furtherance of the conspiracy and to effect its objects, the following overt acts, among others, were committed by the defendant or other co-conspirators in the Middle District of Florida, and elsewhere:

(a) In or about January 2001, a conspirator caused a HARC Client Endowment account to be opened at SunTrust bank;

(b) In or about January 2001, a co-conspirator caused an Excel worksheet titled "Client Endowment Account Summary" to be created, which purported to track each individual HARC client's fund balance within the HARC Client Endowment account;

(c) In or about March 2006, defendant Lilliston signed a Business Account Signature Card for the HARC Client Endowment account at SunTrust bank;

(d) On or about March 8, 2006, a co-conspirator caused approximately \$79,915 to be transferred from the HARC Client Endowment account at SunTrust bank to a HARC operating account at the same bank;

(e) In or about May 2009, defendant Lilliston signed a Deposit Account Agreement form associated with a HARC Endowment account opened at Synovus Bank;

(f) On or about December 13, 2010, a co-conspirator caused approximately \$30,000 to be transferred from the HARC Endowment account at Synovus bank to a HARC operating account at the same bank;

(g) In or about April 2011, defendant Lilliston signed a Request To Be Selected As Payee application, or an application to act as a representative payee, for J.G., a developmentally disabled HARC client known to the grand jury;

(h) In or about August 2002, a co-conspirator signed a Request To Be Selected As Payee application, or an application to act as a representative payee, for B.H., a developmentally disabled HARC client known to the grand jury;

(i) In or about September 2002, a co-conspirator signed a Request To Be Selected As Payee application, or an application to act as a representative payee, for C.G., a developmentally disabled HARC client known to the grand jury;



(j) In or about November 2009, defendant Lilliston signed a document bearing the title "Pooled Trust Joinder Agreement," as the HARC CEO and HARC Challenge Foundation Trustee, relating to HARC client W.C., a developmentally disabled HARC client known to the grand jury, who was identified as a Grantor;

(k) In or about November 2009, a co-conspirator signed a document bearing the title "Pooled Trust Joinder Agreement," as a notary public certifying that the other signers—including defendant Lilliston and W.C.—had executed the agreement in 2007, which date was false and fraudulent;

(l) In or about November 2009, defendant Lilliston signed a document bearing the title "Pooled Trust Joinder Agreement," as the HARC CEO and HARC Challenge Foundation Trustee, relating to HARC client A.H., a developmentally disabled HARC client known to the grand jury, who was identified as a Grantor;

(m) In or about November 2009, a co-conspirator signed a document bearing the title "Pooled Trust Joinder Agreement," as a notary public certifying that the other signers—including defendant Lilliston and A.H.—had executed the agreement in 2007, which date was false and fraudulent;

(n) In or about November 2009, defendant Lilliston signed a document bearing the title "Pooled Trust Joinder Agreement," as the HARC CEO and HARC Challenge Foundation Trustee, relating to HARC client V.C., a

developmentally disabled HARC client known to the grand jury, who was identified as a Grantor;

(o) In or about November 2009, a co-conspirator signed a document bearing the title "Pooled Trust Joinder Agreement," as a notary public certifying that the other signers—including defendant Lilliston and V.C.—had executed the agreement in 2007, which date was false and fraudulent;

(p) In or about October 2010, the defendant and co-conspirator Pannullo signed a Direct Deposit Sign-Up Form to ensure that SSA payments made to HARC client V.C. were deposited into a Synovus Bank account which HARC controlled;

(q) In or about October 2010, the defendant and co-conspirator Pannullo signed a Direct Deposit Sign-Up Form to ensure that SSA payments made to HARC client W.C. were deposited into a Synovus Bank account which HARC controlled;

(r) In or about October 2010, the defendant and co-conspirator Pannullo signed a Direct Deposit Sign-Up Form to ensure that SSA payments made to HARC client A.H. were deposited into a Synovus Bank account which HARC controlled;

(s) On or about March 28, 2011, a co-conspirator signed a Representative Payee Report, or Form SSA-6234, that falsely and fraudulently stated that \$5,978 had been spent directly on personal items and services (such as clothing, education, medical and dental expenses, recreation, or other personal items) for SSA beneficiary A.H., during the period April 1, 2010 to March 31, 2011;

(t) On or about March 28, 2011, a co-conspirator signed a Representative Payee Report, or Form SSA-6234, that falsely and fraudulently stated that \$10,254 had been spent directly on personal items and services (such as clothing, education, medical and dental expenses, recreation, or other personal items) for SSA beneficiary V.C., during the period April 1, 2010 to March 31, 2011;

(u) On or about July 19, 2011, a co-conspirator caused funds in the amount of \$18,000 to be diverted from the HARC Endowment account at Synovus bank to a HARC operating account at the same bank; and

(v) On or about August 1, 2011, a co-conspirator signed a Representative Payee Report, or Form SSA-6234, that falsely and fraudulently stated that \$5,128 had been spent directly on personal items and services (such as clothing, education, medical and dental expenses, recreation, or other

personal items) for SSA beneficiary W.C., during the period August 1, 2010 to July 31, 2011.

All in violation of Title 18, United States Code, Section 371.

A TRUE BILL,




Foreperson

A. LEE BENTLEY, III  
United States Attorney

By:

  
Jay G. Trezevant  
Assistant United States Attorney

By:

  
Robert A. Mosakowski  
Assistant United States Attorney  
Chief, Economic Crimes Section

No.

UNITED STATES DISTRICT COURT  
Middle District of Florida  
Tampa Division

THE UNITED STATES OF AMERICA

vs.

RICHARD LILLISTON

INDICTMENT

Violations:

18 U.S.C. § 371

A true bill,

*M. Elise Wilson*

Foreperson

Filed in open court this 14th day

of July, 2016.

Clerk

Bail \$ \_\_\_\_\_

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