

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF LOUISIANA

**BILL OF INFORMATION FOR WIRE FRAUD AND MONEY LAUNDERING  
AND NOTICE OF FORFEITURE**

UNITED STATES OF AMERICA	:	CRIMINAL NO. 19- Cr 63-JWD
	:	
	:	18 U.S.C. § 1343
<i>versus</i>	:	18 U.S.C. § 1956(a)(1)(B)
	:	18 U.S.C. § 981(a)(1)(c)
	:	18 U.S.C. § 982(a)(1)
JOHN PAUL FUNES	:	28 U.S.C. § 2461(c)

**THE UNITED STATES ATTORNEY CHARGES:**

**At all relevant times:**

1. **JOHN PAUL FUNES (FUNES)**, the defendant herein, was a resident of Baton Rouge, Louisiana.
2. Our Lady of the Lake Foundation (the "Foundation") was a tax-exempt public charity, based in Baton Rouge, which was formed to promote and support the mission of Our Lady of the Lake Regional Medical Center (the "Hospital") in Baton Rouge.
3. In or about July of 2006, **FUNES** was hired as Administrator of the Our Lady of the Lake Children's Hospital. In or about 2007, **FUNES** became President and Chief Executive Officer (CEO) of the Foundation. In that role, **FUNES'** primary job responsibility was to implement fund-raising campaigns for the Hospital. In addition, beginning in 2014, when the Hospital began working to develop a new children's hospital, **FUNES** became responsible for raising funds for the Children's Hospital Campaign Fund.

**COUNT ONE**  
**Wire Fraud**  
**18 U.S.C. § 1343**

**Object of the Scheme:**

4. Beginning in or about 2012 and continuing through September of 2018, within the Middle District of Louisiana, FUNES knowingly executed a scheme to defraud the Foundation and to obtain money from the Foundation by means of material false and fraudulent representations.

**Manner and Means:**

5. In order to accomplish the scheme, FUNES used and knowingly caused others to use a variety of means, including the following:
  - a. The defendant would prepare, sign, and submit “Payment Authorization Vouchers” and check requests that would cause the Foundation’s accounting personnel to issue checks to the payees reflected on the vouchers, for the amounts and purposes described by the defendant;
  - b. In the documents, the defendant would fraudulently misrepresent the need for the funds, the purpose of the funds, and/or the ultimate recipient of the funds;
  - c. After some initial processing by Foundation administrative staff, the defendant would electronically approve his own vouchers and requests and cause the Foundation’s accounting department to generate the checks that the defendant had requested;

- d. In many cases, the Foundation or the defendant would route the checks to the payee reflected on the voucher, but the defendant would then cause the funds to be used for a purpose much different from that represented to the Foundation, including, on dozens of occasions, for his own personal benefit or the personal benefit of those close to him;
- e. In other cases, the defendant would obtain the checks that had been generated by the fraudulent vouchers and gain control over the funds; and
- f. Beginning in or about August of 2018, as the Foundation began an internal review and audit of certain expenses that the defendant had approved, the defendant created and provided the Foundation with numerous fraudulent documents designed to conceal his scheme, including false and fictitious invoices, internal Board memoranda and policies, and other documents.

#### **The Chartered Flights**

- 6. For example, **FUNES** frequently used the services of a charter flight company in Houma, Louisiana for his own personal benefit, unbeknownst to the Foundation. In connection with the flights, **FUNES** submitted numerous vouchers in which he fraudulently represented that Foundation funds were necessary to pay the flight company to make time-sensitive “outbound patient transports” from Our Lady of the Lake Children’s Hospital. **FUNES** gained control of the checks, forwarded them to the flight company, and then used the charter company’s services for his own personal benefit. On December 31, 2017, for instance, the defendant chartered a flight to take his family and friends to Tampa, Florida, to attend a New Orleans Saints game, and then from Tampa to Orlando to attend the Citrus Bowl,

before returning to Baton Rouge on January 1, 2018, at a cost to the Foundation of more than \$14,000.

**The Payments to Individuals A and B**

7. As part of the scheme, the defendant submitted numerous vouchers in which he fraudulently represented that funds were required to pay for home medical care and other expenses for a Children's Hospital patient. The defendant caused the Foundation to issue eleven (11) checks to Individual A and seven (7) checks to Individual A's daughter (Individual B), both of whom lived in Florida, totaling approximately \$107,000, and the defendant generally mailed the checks to Individuals A and B from Baton Rouge. Neither Individual A nor Individual B nor any of their family members was or had ever been a patient of the hospital, however. In fact, the defendant had a close relationship with their family, and, after causing the Foundation to send them more than \$100,000, Individual A and Individual B funneled the majority of the funds (approximately \$63,000) back to the defendant.

**The Gift Cards**

8. As another example, the defendant submitted numerous vouchers in which he fraudulently represented that funds were necessary to provide gift cards for cancer patients. The defendant obtained the checks and used the checks to purchase hundreds of Wal-Mart and Visa gift cards. Instead of having Foundation staff distribute the cards to cancer patients, however, the defendant unilaterally distributed the cards in his sole discretion, and often for his own personal benefit, unbeknownst to the Board.

**Additional Means**

9. The defendant's scheme also included the following:
  - a. causing and/or approving dozens of payments to individuals who did little to no work for the Foundation but to whom the defendant wanted to provide financial assistance, including Individual C, who received approximately \$180,000 in Foundation funds;
  - b. in at least one case, creating and submitting invoices in the name of a purported vendor to whom the defendant wanted to send money, for what the defendant claimed were legitimate expenses, without disclosing all material information to the Foundation, such as, for example, creating and submitting invoices in the name of Individual D, without disclosing that **FUNES** had created the invoices himself and that Individual D would funnel a portion of the funds he received from the Foundation back to the defendant personally; and
  - c. submitting and approving vouchers that caused the Foundation to purchase tickets to numerous sporting events, based on the defendant's representation that the tickets would be used for legitimate Foundation business, without disclosing that the defendant would sometimes use the tickets for purely personal reasons and/or sell the tickets to others and retain the payments for the tickets in his personal bank account.
10. Throughout the scheme, based on the false and fraudulent pretenses, representations, and promises described above, **FUNES** fraudulently caused the Foundation to issue payments totaling more than \$550,000.

**The Wirings**

11. In furtherance of the scheme, the defendant caused numerous interstate wirings. To purchase gift cards from Wal-Mart, for instance, the defendant would obtain a check drawn on the Foundation's bank account at Capital One and take the check to the Wal-Mart on College Drive in Baton Rouge to use it as payment for the gift cards. Upon Wal-Mart's receipt of the check, Wal-Mart would deposit the check into its bank account at Bank of America, which in turn would create an electronic image of the check and send the image, electronically, to the Federal Reserve Bank in Atlanta, Georgia, which would process the check by debiting the Foundation's account and crediting Wal-Mart's account.
12. For example, on or about May 21, 2015, in the Middle District of Louisiana, the defendant, **JOHN PAUL FUNES**, for the purpose of executing the above-described scheme to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, signals, pictures, and sounds, namely, the defendant tendered a Foundation check for \$9,500 to Wal-Mart, causing an image of the check to be sent from Bank of America in Baton Rouge to the Federal Reserve Bank in Atlanta, Georgia.

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

**COUNT TWO**  
**Money Laundering**  
**18 U.S.C. § 1956**

13. Paragraphs 1 through 12 of this Bill of Information are incorporated herein by reference as factual allegations.
14. After Individuals A and B received checks issued by the Foundation, based on the defendant's false representations, Individuals A and B would deposit the checks into their personal bank accounts at Wells Fargo Bank in Florida. The defendant would then direct Individuals A and B to send the majority of the funds back to him, which they did by mailing personal checks or cashier's checks payable to the defendant, in the amounts requested by the defendant, back to him in Baton Rouge.
15. As the defendant received the incoming checks and money orders, he would deposit the financial instruments into one of his personal bank accounts at Iberia Bank in Baton Rouge, Louisiana, and thereby take control of the proceeds.
16. For example, on or about June 14, 2014, within the Middle District of Louisiana, **JOHN PAUL FUNES** did knowingly and intentionally conduct and attempt to conduct a financial transaction affecting interstate commerce, knowing that the property involved in the transactions represented the proceeds of specified unlawful activity, that is, mail fraud, in violation of Title 18, United States Code, Section 1341, with the intent to conceal or disguise the nature, location, source, ownership, and control of such proceeds, in that the defendant, after causing Individual A to receive a check from the Foundation for \$9,500, received a check

back from Individual A in the amount of \$5,500 (Check No. 2361), which he deposited into his personal bank account at Iberia Bank in Baton Rouge.

The above is a violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

**NOTICE OF FORFEITURE**

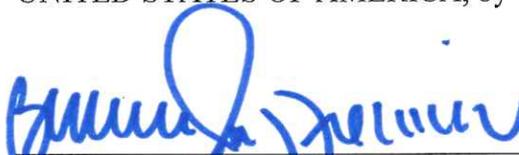
17. Paragraphs 1 through 16 of this Bill of Information are incorporated herein by reference as factual allegations.
18. Upon conviction of the offense alleged in Count 1 of this Bill of Information, the defendant, **JOHN PAUL FUNES**, shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, that constitutes or is derived from proceeds traceable to the violation, including but not limited to a sum of money equal to the amount of the proceeds of the offense.
19. Upon conviction of the offense alleged in Count 2 of this Bill of Information, the defendant shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), all property, real and personal, involved in the offense, or any property traceable to the violation, including but not limited to a sum of money equal to the amount of the proceeds of the offense.
20. If any of the above-described forfeitable property, 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, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

Date: 6/4/19

UNITED STATES OF AMERICA, by



BRANDON J. FREMIN  
UNITED STATES ATTORNEY



ALAN A. STEVENS  
ASSISTANT U.S. ATTORNEY

Place of Offense:

Matter to be sealed:  No  Yes

City Baton Rouge

Related Case Information:

County/Parish East Baton Rouge

Superseding Indictment \_\_\_\_\_ Docket Number \_\_\_\_\_

Same Defendant \_\_\_\_\_ New Defendant X

USSS Kevin Bodden

Magistrate Case Number \_\_\_\_\_

Search Warrant Case No. \_\_\_\_\_

R 20/ R 40 from District of \_\_\_\_\_

Any Other Related Cases: \_\_\_\_\_

Defendant Information:

Defendant Name John Paul Funes

Alias \_\_\_\_\_

Address \_\_\_\_\_

Birthdate: \_\_\_\_\_ SS # \_\_\_\_\_ Sex: Male Race: \_\_\_\_\_ Nationality: \_\_\_\_\_

U.S. Attorney Information:

AUSA Alan A. Stevens LBN

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

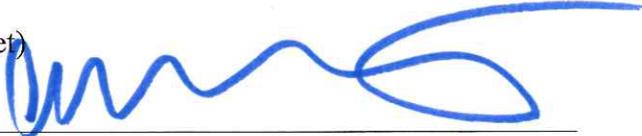
U.S.C. Citations:

Total # of Counts: 2

<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count(s)</u>	<u>Petty/ Misdemeanor/ Felony</u>
<u>18:1343</u>	<u>Wire Fraud</u>	<u>1</u>	<u>Felony</u>
<u>18:1956</u>	<u>Money Laundering</u>	<u>2</u>	<u>Felony</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(May be continued on second sheet)

Date: 6/3/19

Signature of AUSA: 

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