



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

FOR IMMEDIATE RELEASE

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**FORMER NATIONAL CENTER FOR THE EMPLOYMENT OF THE DISABLED
EXECUTIVES INDICTED BY FEDERAL GRAND JURY**

The United States Attorney's Office for the Western District of Texas announced today that the former CEO and President of National Center for the Employment of the Disabled (NCED) **ROBERT EDWARD JONES**, a.k.a., Bob Jones; former NCED Chief Operations Officer **ERNESTO ALONZO LOPEZ**, a.k.a. Ernie Lopez; and former NCED Officer and member of the NCED Board of Directors **PATRICK WOODS**, a.k.a., Pat Woods, were arrested without incident this morning on federal charges related to embezzling millions of dollars in government program funds. The arrests stem from two separate federal grand jury indictments returned in El Paso—a thirty-seven count superseding indictment on October 9, 2008, and a five-count indictment on August 14, 2008.

The charges in the superseding indictment arise from actions on the part of the defendants while they were employed by NCED. The allegations detail schemes to lie to the Committee for Purchase from the Blind and Severely Disabled, falsely claiming NCED was in compliance with the Javits - Wagner-O'Day Act (JWOD), thus entitled to receive no-bid contracts from government agencies, which contracts are set aside for not-for-profit organizations who employ blind or other severely handicapped individuals for not less than 75 percent of the man-hours of direct labor required for the production or provision of the goods or commodities required on the government contract. According to the indictment, NCED never employed sufficient numbers of blind or severely disabled workers to qualify for JWOD contracts. The indictment further alleges that the defendants stole or embezzled at least \$5,000 from NCED, an organization that received at least \$10,000 in federal government program money in each year charged and, without authorization of the NCED Board of Directors, directed the money for the use of themselves or others. Finally, the indictment alleges that certain defendants lied to federally insured financial institutions to obtain loans and other forms of credit to further their personal use of NCED funds.

In the superseding indictment, Jones is charged in all thirty-seven counts including charges of conspiracy to commit theft or embezzlement of government program funds; theft or embezzlement of government program funds; conspiracy to make false statements to a federally insured financial institution to obtain credit; false statements to a federally insured financial institution to obtain credit; conspiracy to commit bank fraud; conspiracy to make false statements and defraud the United States; false statements and defrauding the United States; conspiracy to commit mail and wire fraud; mail fraud; and wire fraud.

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Lopez is charged in seventeen counts including conspiracy to make false statements and defraud the United States; false statements and defrauding the United States; conspiracy to commit mail and wire fraud; mail fraud; and wire fraud. Woods is charged in seven counts including conspiracy to commit theft or embezzlement of government program funds; theft or embezzlement of government program funds; conspiracy to make false statements to a federally insured financial institution to obtain credit; false statements to a federally insured financial institution to obtain credit; and conspiracy to commit bank fraud.

The superseding indictment also includes a Notice of Forfeiture in which the Government requests that money and/or assets be forfeited from each of the charged defendants in the following amounts: Jones-\$58,950,526.50; Lopez-\$51,215,526.50; and Woods-\$4,235,000.

In the indictment returned on September 25, 2008, Jones and Woods are charged with one count each of conspiracy to make false statements to a federally insured financial institution to obtain credit, conspiracy to commit mail and wire fraud, false statements to a federally insured financial institution to obtain credit, mail fraud and wire fraud. According to the indictment, in 2003, Jones and Woods made false statements to a federally insured financial institution that Jones owed Woods \$975,000 as a result of Woods' construction of Jones' home in 2001, so that the financial institution would approve and fund a \$975,000 mechanic's lien on Jones' house, when no money was actually owed to Woods by Jones.

All three defendants are scheduled to have their initial appearance at 2:30 this afternoon before United States Magistrate Judge Richard P. Mesa.

This ongoing investigation is being conducted by agents of the Federal Bureau of Investigation(FBI); the U.S. Army Criminal Investigation Division-Major Fraud Unit; the General Services Administration-Office of the Inspector General (GSA-OIG); the United States Postal Service-Office of the Inspector General (USPS-OIG); and the Internal Revenue Service-Criminal Investigation Division(IRS-CID). The case is being prosecuted for the government by Assistant United States Attorneys Bill Lewis, Steve Spitzer and Debra Kanof.

An indictment is a formal accusation of criminal conduct, not evidence of guilt. The defendants are presumed innocent unless and until convicted through due process of law.

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