



PRESS RELEASE

FOR IMMEDIATE RELEASE
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For Information Contact Public Affairs
HARRIET BERNICK
Telephone: (602) 514-7736
Pager: (602) 356-0004

STUDENT LOAN SWINDLE SHUT DOWN

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona announced today that on October 1, 2003, a federal grand jury at Phoenix, Arizona, returned a four count indictment against JOHN E. CHRISTENSEN, (D.O.B. 4-21-41), of Mesa, Arizona.

The indictment alleges that beginning in 1999 and continuing until September 2003, CHRISTENSEN devised a scheme to use the personal identifying information of others as though it were his own, thereby concealing from lenders, schools, and the United States Department of Education the number and status of loans and other forms of student aid he had already received. According to the indictment CHRISTENSEN used more than 50 different identities to obtain about \$313,416. The personal information he used typically pertained to prison inmates serving long prison sentences. The indictment also seeks forfeiture of more than \$58,000 from 10 bank accounts, \$11,600 in U.S. currency found during searches, a house, and a car, all alleged to be proceeds of the scheme to defraud. CHRISTENSEN has been detained since his arrest on September 2, 2003.

The indictment charges CHRISTENSEN with violating Title 20, United States Code, Section 1097 (Financial Aid Fraud), Title 42, United States Code, Section 408(a)(7)(B) (Social Security Fraud),

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Title 18, United States Code, Section 1029(a)(1) (Access Device Fraud) and Title 18, United States Code, Section 1028(a)(7) (Identity Theft).

According to the complaint filed previously in this case, Christensen arrived at Mesa Community College on September 2, 2003, to claim a student financial aid check under the name of Frank Morgan. Staff at the Financial Aid Office recognized Christensen as the same person who had claimed an aid check under the name George Aikens, and called campus security. Christensen took off on foot shortly after security arrived, but was caught by campus security and Mesa Police. Christensen then produced identification in the name of Joseph Bruce, and had in his possession identification in the names Frank Morgan and Donald Joy, according to the complaint. According to the complaint, student loans were applied for or obtained in six different names (Frank Morgan, Donald Joy, George Aikens, Joseph Bruce, Paul Reed, and John Dubalski), at three local community colleges (Mesa Community College, Maricopa Community College, and Scottsdale Community College).

A conviction for Financial Aid Fraud carries a maximum penalty of five years, a \$20,000 fine or both. A conviction for Social Security Fraud carries a maximum penalty of five years, a \$250,000 fine or both. A conviction for Access Device Fraud carries a maximum penalty of 10 years, a \$250,000 fine or both, and forfeiture. A conviction for Identity Theft carries a maximum penalty of 15 years, a \$250,000 fine or both, and forfeiture.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the complaint was conducted the Office of Inspector General of the United States Department of Education, the Office of Inspector General of the Social Security Administration, the U.S. Secret Service, the Mesa Police Department, and College Safety, Mesa Community College.

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The prosecution is being handled by Daniel R. Drake, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-03-1014-PHX
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