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FOR IMMEDIATE RELEASE

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**MULTIPLE DEFENDANTS CHARGED IN FRAUD SCHEME TO OBTAIN
FEDERAL STUDENT AID**

OAKLAND – A federal grand jury in Oakland returned an Indictment on August 15, 2013, charging Kyle Edward Moore, Cortio Detrice Wade, Marcel Devon Bridges, and Derricka Lynn Fluker with conspiracy to commit financial aid fraud and multiple counts of wire fraud, announced United States Attorney Melinda Haag and Natalie Forbort, Special Agent in Charge of the United States Department of Education, Office of Inspector General’s Western Regional Office.

According to the Indictment, which was unsealed yesterday, Moore is alleged to have conspired with Wade, Bridges, and Flucker to obtain federal student aid funds offered under the Title IV Federal Student Assistance Program. Moore and his co-defendants obtained the aid, in the form of loans and grants, by preparing and transmitting fraudulent Free Applications for Federal Student Aid (FAFSAs) to the U.S. Department of Education.

In carrying out the fraud scheme, Moore, Wade, Bridges, and Flucker recruited third-parties to serve as “straw students” and then assisted the straw students in preparing, signing, and transmitting fraudulent FAFSAs knowing that many of the straw students were not eligible to obtain Title IV funds. Among other things, the straw students had not obtained high school diplomas or a recognized equivalent, and had no intention of attending school or using the funds for educational purposes. After receiving the fraudulently obtained student loan funds, Moore and his co-defendants would share the funds among themselves and sometimes with the straw students.

Moore, Bridges, and Fluker were arrested on September 11, 2013, in the Northern District of California and made their initial appearances in federal court in Oakland yesterday morning. Wade was arrested in Phoenix, Arizona, and made her initial appearance in the District of Arizona yesterday as well. The three defendants that appeared in federal court in Oakland were each released on bonds. Moore, Bridges, and Fluker are scheduled to appear next on October 18, 2013, at 9:30 a.m. before The Honorable Jon S. Tigar, U.S. District Judge.

The maximum statutory penalty for each count of conspiracy to commit financial aid fraud, in violation of 18 U.S.C. § 371, is five years in prison, a fine of \$250,000 or twice the

gross gain or loss, whichever is greater, and restitution. The maximum penalty for each count of wire fraud, in violation of 18 U.S.C. § 1343, is twenty years in prison, a fine of \$250,000 or twice the gross gain or loss, whichever is greater, and restitution. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Wade M. Rhyne is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Janice Pagsanjan. The prosecution is the result of an investigation by the Department of Education, Office of the Inspector General and the Federal Bureau of Investigation and the U.S. Department of Housing and Urban Development, Office of the Inspector General.

Please note, an indictment contains only allegations against an individual and, as with all defendants, Moore, Bridges, Wade, and Fluker must be presumed innocent unless and until proven guilty.

Further Information:

Case #: CR-13-0555 JST

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Lili AraúzHaase at (415) 436-6811 or by e-mail at Lillian.ArauzHaase@usdoj.gov.