

AHM/WCA: Jan. 2008  
GJ # 1

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
NORTHEASTERN DIVISION**

**UNITED STATES OF AMERICA )**

**v. )**

**CASE No. )**

**SUZANNE L. SCHMITZ )**

*also known as )*

**Suzanne Martha Lowe Schmitz )**

**TO BE FILED UNDER SEAL )**

**INDICTMENT**

The Grand Jury charges that:

**Introduction**

At all times material to this Indictment:

1. Defendant SUZANNE L. SCHMITZ was a state legislator elected to serve the Sixth District in the Alabama State Legislature. Defendant SCHMITZ was a resident of Toney, Madison County, Alabama. From January 2003 to October 2006, defendant SCHMITZ was also employed by the Community Intensive Treatment for Youth Skills Training Consortium (“the CITY Program”) as its “Program Coordinator for Community and External Affairs.”
2. The CITY Program was a federally funded program which sought to develop the social, behavioral, and academic skills of “at-risk” youths who were referred through the State of Alabama juvenile court system. The CITY Program was affiliated with the State

of Alabama Department of Postsecondary Education. Central Alabama Community College served as the CITY Program's fiscal agent. The CITY Program maintained and operated ten (10) locations throughout the State of Alabama.

**COUNTS ONE THROUGH FOUR**  
**Mail Fraud**  
**Title 18, United States Code, Section 1341**

1. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 1 through 2 of the Introduction of this Indictment as though fully set out herein.

2. From in or about January 2003 and continuing through in or about November 2006, within Madison County in the Northern District of Alabama, and elsewhere, the defendant,

**SUZANNE L. SCHMITZ,**

devised and intended to devise a scheme and artifice to defraud and obtain money and property belonging to others by means of false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme and artifice that defendant SCHMITZ sought to and did obtain a position with the CITY Program through illegitimate means.

4. It was further part of the scheme and artifice that defendant SCHMITZ sought to facilitate her fraudulent activity by seeking and obtaining authorization to perform services for the CITY Program on a "flexible work schedule" based the false and

fraudulent representation that she planned to fulfill her obligations to the CITY Program under such an arrangement.

5. It was further part of the scheme and artifice that despite collecting a salary and benefits from the CITY Program, defendant SCHMITZ performed virtually no services and generated virtually no work product for the CITY Program, and in fact rarely even appeared for work at CITY Program offices.

6. It was further part of the scheme and artifice that defendant SCHMITZ prepared and submitted to her superiors and other CITY Program employees false and fraudulent statements regarding the number of hours she worked for the CITY Program in an effort to conceal and maintain her fraudulent scheme.

7. It was further part of the scheme and artifice that defendant SCHMITZ prepared and submitted to her superiors and other CITY Program employees false and fraudulent statements regarding the volume and nature of services she performed for the CITY Program in an effort to conceal and maintain her fraudulent scheme.

8. It was further part of the scheme and artifice that as a result of her fraudulent conduct, defendant SCHMITZ collected salary and other benefits totaling approximately \$177,251.82, and utilized those funds for her own use and benefit, and for the use and benefit of others.

**The Mailings**

9. On or about the dates set forth below, for the purpose of executing the aforesaid scheme and artifice to defraud, and attempting to do so, within Madison County, in the Northern District of Alabama, and elsewhere, the defendant,

**SUZANNE L. SCHMITZ,**

did cause to be placed in an authorized depository for mail matter certain items, as more particularly described in each count below.

| <b><u>COUNT</u></b> | <b><u>DATE</u></b> | <b><u>MAILING</u></b>   |
|---------------------|--------------------|---|
| 1                   | 01/16/03           | Letter of Appointment for Sue Schmitz mailed from Pelham, Alabama to Toney, Alabama   |
| 2                   | 03/03/03           | Letter from Sue Schmitz to J.C. mailed from Toney, Alabama to Alexander City, Alabama |
| 3                   | 01/26/06           | Letter from Sue Schmitz to L.P. mailed from Montgomery, Alabama to Pelham, Alabama    |
| 4                   | 10/05/06           | Letter from Sue Schmitz to E.L. mailed from Toney, Alabama to Talladega, Alabama      |

All in violation of Title 18, United States Code, Sections 1341 and 2.

**COUNTS FIVE through EIGHT**  
**Fraud Involving Organization Receiving Federal Funds**  
**Title 18, United States Code, Section 666(a)(1)(A)**

1. The Grand Jury repeats and re-alleges the allegations contained in paragraphs 1 through 2 of the Introduction of this Indictment as though fully set out herein.
2. At all times relevant to Counts FIVE through EIGHT of this Indictment, defendant SUZANNE L. SCHMITZ was an agent of the CITY Program.
3. At all times relevant to Counts FIVE through EIGHT of this Indictment, the CITY Program was an organization that received federal benefits in excess of \$10,000 per year involving a grant, contract, subsidy, loan, guarantee, insurance and other form of assistance.
4. From in or about January 2003 to in or about October 2006, defendant SUZANNE L. SCHMITZ embezzled, stole, and obtained by fraud and without authority salary and other benefits in the amount of approximately \$177,251.82.
5. In or about the following years, within Madison County, in the Northern District of Alabama, and elsewhere, the defendant,

**SUZANNE L. SCHMITZ,**

knowingly and willfully did embezzle, steal, obtain by fraud and without authority convert to her own use, and intentionally misapply the following approximate amounts

of money owned by and under the care, custody and control of the CITY Program, namely the salary and other benefits defendant SCHMITZ received:

| <b><u>COUNT</u></b> | <b><u>YEAR</u></b> | <b><u>AMOUNT RECEIVED</u></b> |
|---------------------|--------------------|-------------------------------|
| 5                   | 2003               | \$37,329.07                   |
| 6                   | 2004               | \$42,229.59                   |
| 7                   | 2005               | \$44,289.54                   |
| 8                   | 2006               | \$53,403.62                   |

All in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

**COUNT NINE**

**Forfeiture**

**Title 18, United States Code, Section 981(a)(1)(C) and**

**Title 28, United States Code, Section 2461(c)**

1. The allegations of Counts ONE through EIGHT of this Indictment are realleged and incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States code, Section 2461(c).

2. As a result of the foregoing offenses alleged in Counts ONE through EIGHT of this Indictment, the defendant,

**SUZANNE L. SCHMITZ,**

shall forfeit to the United States any property constituting or derived from proceeds traceable to said violations. Such forfeitable interests include, but are not limited to, the aggregate sum of \$177,251.82, together with all interest and proceeds derived therefrom.

If any of the property described above as being subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and 28 United States Code, Section 2461(c), as a result of any act or omission of the defendant,—

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred to, sold to, or deposited with a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or

(5) has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant, up to the value of the above forfeitable property.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL

*/s/ Electronic Signature*

FOREPERSON OF THE GRAND JURY

ALICE H. MARTIN  
United States Attorney

*/s/ Electronic Signature*

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WILLIAM C. ATHANAS  
Assistant U.S. Attorney

*/s/ Electronic Signature*

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WILLIAM L. LIENBY  
Special Assistant U.S. Attorney