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**UNITED STATES DISTRICT COURT
 DISTRICT OF NEVADA**

-000-

UNITED STATES OF AMERICA,

 Plaintiff,

vs.

JENNIFER J. MCCAIN-BRAY,
 a/k/a "JJ McCain"

Defendant.

SEALED CRIMINAL INDICTMENT

CASE NO: 2:16-cr- 224

VIOLATIONS:

18 U.S.C. § 1341 – Mail Fraud

THE GRAND JURY CHARGES THAT:

At all times material to this Indictment:

Background Concerning the Las Vegas Valley Water District

1. Organized in 1954, the Las Vegas Valley Water District (LVVWD) is a non-profit public agency established to build, maintain, and operate the water delivery system for nearly one million residents throughout Southern Nevada. LVVWD services the Las Vegas metropolitan area, parts of unincorporated Clark County, Blue Diamond, Coyote Springs, Jean, Kyle Canyon, Laughlin (Big Bend Water District), and Searchlight. LVVWD is one of seven member agencies comprising the Southern Nevada Water Authority (SNWA).

2. LVVWD maintains extensive facilities, including: 50 reservoirs and tanks with hundreds of millions of gallons of water; 63 pumping stations; 106 production wells; 4,500 miles of water transmission pipelines; and six solar power facilities.

3. The LVVWD's main office is located at 1001 S. Valley View Boulevard, Las Vegas, Nevada. This main office contains numerous employees and departments organized to

1 centrally administer the LVVWD's business and operations throughout Southern Nevada.

2 LVVWD also maintains numerous offices throughout its many facilities in Southern Nevada.

3 4. To ensure the proper supply and operation of its activities and infrastructure,
4 LVVWD has a Purchasing Division located at its main office. In order to meet its organizational
5 and operational requirements, the LVVWD utilizes its Purchasing Division to make purchases
6 from the various vendors with which it does business. The office supply company Staples, Inc.
7 (Staples) is one of the vendors with which LVVWD does business through its Purchasing
8 Division.

9 **Defendant McCain's Employment as a Purchasing Analyst for the LVVWD**

10 5. Defendant JENNIFER J. MCCAIN-BRAY (MCCAIN), known as "JJ," began
11 working for LVVWD in October 2001 as an office assistant. In February 2004, McCain was
12 promoted to "Purchasing Assistant." McCain was promoted to the position of "Purchasing
13 Analyst" on October 29, 2007.

14 6. In her role as a Purchasing Analyst, MCCAIN was, among other things,
15 responsible for transmitting orders and payment to vendors when particular products were
16 requested from departments and employees throughout the LVVWD. As part of her official
17 responsibilities, MCCAIN had access to accounts and computer systems through which she
18 could make purchases from and direct payment to vendors, such as Staples. All of these
19 purchases would be made with LVVWD funds.

20 **The Scheme to Defraud**

21 7. From at least on or about January 1, 2007, through on or about December 7, 2015,
22 MCCAIN and others known and unknown to the Grand Jury, aided and abetted by each other,
23 devised, intended to devise, and participated in a material scheme and artifice to defraud and to
24

1 obtain money and property from LVVWD through false, fraudulent, and material pretenses,
2 representations, promises, half-truths, and omissions.

3 8. The purpose and object of the scheme and artifice was for MCCAIN and others
4 known and unknown to the Grand Jury, to fraudulently obtain money and property from the
5 LVVWD by fraudulently representing that MCCAIN's purchases of ink and toner cartridges
6 from Staples were for the benefit of and at the direction of the LVVWD when MCCAIN then
7 and there well knew the ink and toner cartridges she purchased were for the benefit of a New
8 Jersey company (the New Jersey Company) which received and resold the cartridges for its own
9 profit, while paying MCCAIN for using her position with LVVWD to facilitate the fraudulent
10 purchases. It was also part of the scheme that, in her interactions with Staples and LVVWD,
11 MCCAIN fraudulently omitted the true nature and purpose of the purchases.

12 9. As part of and in furtherance of the scheme, MCCAIN used her position as
13 Purchasing Analyst for LVVWD to use an account designated "JJ MCCAIN_ADMIN ACCT,"
14 which she used to purchase ink and toner cartridges from Staples with LVVWD funds. The New
15 Jersey Company and others known and unknown to the Grand Jury would send MCCAIN orders
16 for specific types and quantities of ink and toner cartridges. MCCAIN would then use the "JJ
17 MCCAIN_ADMIN ACCT" to order the requested cartridges from Staples, which would be paid
18 for with LVVWD funds. The fraudulent orders would be transmitted to Staples through a
19 computerized purchasing system maintained by LVVWD and organized based on a vendor-
20 vendee business relationship between LVVWD and Staples. MCCAIN then and there well knew
21 that when the orders were transmitted to Staples the orders would appear to be legitimate orders
22 by LVVWD for its various legitimate operations and requirements.

23 10. In making the orders, MCCAIN caused Staples to ship the packages of ink and
24 toner cartridges from California and other locations inside and outside the District of Nevada

1 directly to MCCAIN at LVVWD's main office. The packages would be shipped by Postal
 2 Service and private and commercial interstate carriers. Once received at LVVWD's main office,
 3 MCCAIN would then relabel the packages with new shipping labels and ship them to the New
 4 Jersey Company via Postal Service and private and commercial interstate carriers.

5 11. In exchange for MCCAIN making the fraudulent purchases and then reshipping
 6 the ink and toner cartridges, the New Jersey Company would transfer money, property, and other
 7 things of value to MCCAIN via MCCAIN's personal PayPal account. The New Jersey Company
 8 would resell the fraudulently purchased ink and toner cartridges for a profit.

9 12. During just the years 2012 through 2015, MCCAIN fraudulently and without
 10 authorization purchased with LVVWD funds approximately \$4,523,625.52 in ink and toner
 11 cartridges, which she intended to and did provide to the New Jersey Company via Postal Service
 12 and private and commercial interstate carriers in exchange for money, property, and other things
 13 of value. In total, dating back to in or about 2007 when the scheme started, McCain, the New
 14 Jersey Company, and others known and unknown to the Grand Jury caused approximately
 15 \$6,715,531 in such purchases using LVVWD funds.

16 **Statutory Allegations**

17 **COUNTS ONE THROUGH SIX**

18 Mail Fraud
 (Title 18, United States Code, Sections 1341)

19 13. The Grand Jury re-alleges and incorporates here the allegations contained in
 20 Paragraphs One through Twelve of this Indictment.

21 14. From on or about January 1, 2007, through on or about December 7, 2015, in the
 22 State and Federal District of Nevada, and elsewhere, the defendant,

23 **JENNIFER J. MCCAIN-BRAY,**
 24 a/k/a "JJ McCain"

and others known and unknown to the Grand Jury, knowingly devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice and attempting so to do, did place in a post office and authorized depository for mail matter, a matter and thing to be sent and delivered by the Postal Service, and did deposit and cause to be deposited a matter and thing to be sent and delivered by a private and commercial interstate carrier, and did take and receive therefrom, a matter and thing, and did knowingly cause to be delivered by mail and such carrier according to the direction thereon, and at the place at which it was directed to be delivered by the person to whom it was addressed, a matter and thing, as set forth below, with each constituting a separate violation of Title 18, United States Code, Section 1341.

| Count | Sender | Recipient | Package Tracking Number | Date Ordered | Date Delivered |
|-------|---------|-----------|-------------------------|--------------|----------------|
| 1 | Staples | LVVWD | C1 150 932 77 9922 4 | 12/2/15 | 12/7/15 |
| 2 | Staples | LVVWD | C1 150 932 77 9925 8 | 12/2/15 | 12/7/15 |
| 3 | Staples | LVVWD | C1 150 932 77 9927 4 | 12/2/15 | 12/7/15 |
| 4 | Staples | LVVWD | C1 150 942 13 7469 1 | 12/2/15 | 12/7/15 |
| 5 | Staples | LVVWD | C1 150 932 77 9921 6 | 12/2/15 | 12/7/15 |
| 6 | Staples | LVVWD | C1 150 932 77 9924 0 | 12/2/15 | 12/7/15 |

FORFEITURE ALLEGATION ONE

Mail Fraud

1. The allegations contained in Counts One through Six of this Criminal Indictment are hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title 28, United States Code, Section 2461(c).

2. Upon conviction of any of the felony offenses charged in Counts One through Six of this Criminal Indictment,

JENNIFER J. MCCAIN-BRAY,
a/k/a "JJ McCain"

defendant herein, shall forfeit to the United States of America, any property, real or personal, which constitutes or is derived from proceeds traceable to violations of Title 18, United States Code, Section 134, specified unlawful activities as defined in Title 18, United States Code, Sections 1956(c)(7)(A) and 1961(1)(B), or a conspiracy to commit such offenses, an in personam criminal forfeiture money judgment including, but not limited to, at least \$6,715,531 (property).

3. If any property being subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title 28; United States Code, Section 2461(c), 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 of America, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any properties of the defendant for the in personam criminal forfeiture money judgment including, but not limited to, at least \$6,715,531.

1 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) with Title 28, United
2 States Code, Section 2461(c); Title 18, United States Code, Section 1341; and Title 21, United
3 States Code, Section 853(p).

4
5 **DATED:** this 26th day of July, 2016.

6 **A TRUE BILL:**

7
8 /S/
FOREPERSON OF THE GRAND JURY

9
10 DANIEL G. BOGDEN
United States Attorney

11 
12 PATRICK BURNS
13 Assistant United States Attorney