



NEWS

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U.S. ATTORNEY FILES 29-COUNT FRAUD INDICTMENT AGAINST FORMER MTA ACTING CONTROLLER

The U.S. Attorney's Office today filed a 29 count felony indictment against a former MTA contractor charging her with defrauding the MTA of more than \$50,000.

Jeannie Johnson was formally indicted in a 12-page document filed in United States District Court by U.S. Attorney Nora M. Manella.

The indictment alleges Johnson, while serving as an independent contractor on the MTA's Financial Information Systems Project, employed various accountants under separate agreements which required each accountant to pay Johnson a portion of the wages each received.

Johnson is charged with causing the MTA to be overbilled for the accountants' services. The indictment alleges the accountants' billing rate submitted to the MTA included the accountants' actual rate plus kickbacks to Johnson.

Johnson was hired as an independent consultant in September 1995, and later was assigned as Acting Controller in January 1996. She was terminated in May 1996 by former MTA Chief Financial Officer Ronnie Goldsmith after MTA's Inspector General discovered the alleged fraud.

"We applaud the efforts of the U.S. Attorney and our own Inspector General for conducting their investigation," said MTA Board Chairman Larry Zarian. "This indictment serves notice that anyone who would break the law by defrauding the MTA will be prosecuted to the fullest extent."

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