

Department of Justice

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Middle District of Louisiana

FOR IMMEDIATE RELEASE

Tuesday, January 23, 2018

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FORMER SCHOOL OWNER AND CEO SENTENCED TO 30 MONTHS IN FEDERAL PRISON FOR FEDERAL FINANCIAL AID FRAUD SCHEME

BATON ROUGE, LA – Acting United States Attorney Corey R. Amundson announced today that on Friday, January 19, 2018, Chief U.S. District Judge Brian A. Jackson sentenced **ALDEN HALL**, age 58, of Baton Rouge, Louisiana, to serve 30 months in federal prison for her multi-year scheme to defraud the United States Department of Education and steal Pell Grant funds. The Court also ordered **HALL** to make restitution payments to her victim in the amount of \$276,220 and pay a \$500 special assessment. **HALL** will be required to serve a two-year term of supervised release upon her release from prison.

In the summer of 2017, after a four-day trial, the jury unanimously returned guilty verdicts on all five counts presented at trial, including three counts of theft of government funds, one count of fraudulently obtaining financial assistance funds, and one count of money laundering.

HALL was the owner and Chief Executive Officer of Alden’s School of Cosmetology and Alden’s School of Barbering located in Baker, Louisiana. As the evidence demonstrated, **HALL** engaged in a scheme to steal government funds by causing misrepresentations to be submitted to the Department of Education. For instance, **HALL** represented to the Department that certain students were enrolled in Pell Grant-approved programs of instruction when **HALL** knew that they were actually in programs of instruction that did not qualify for Pell Grants. **HALL** caused false and forged documents to be submitted as part of certain students’ financial aid packages, and caused misrepresentations to the Department about the number of hours that certain students had attended class and their standing at the school, when in fact the individuals had never attended class. Through the scheme, **HALL** fraudulently received more than \$270,000 in federal funds. Finally, in December of 2011, as proceeds were being generated from **HALL’s** fraudulent scheme, she engaged in money laundering by transferring criminally derived property of a value greater than \$10,000 from a bank account to a check issued to herself.

Acting U.S. Amundson stated, “This defendant—over several years—systematically used her position of authority and trust with her students to fraudulently steal funds meant to educate underprivileged students. Today she has been held accountable for her fraudulent scheme and her efforts to conceal her criminal conduct. It is our hope that this sentence strikes a chord with anyone else who may be tempted to steal from the Department of Education. I sincerely appreciate the hard work of the federal and state agencies, and the prosecutors from this office, who worked as a team to bring this defendant’s sophisticated and long-running scheme to an end.”

"Ms. Hall used her position to willfully defraud her students and America's taxpayers in a deliberate and methodical way, and that is unacceptable," said Neil Sanchez, Special Agent in Charge of the U.S. Department of Education—Office of Inspector General's Southern Regional Office. "This sentencing should serve as a warning to anyone who intentionally steals or misappropriates Federal student aid for their own selfish purpose: you will be caught and held accountable for your criminal actions."

FBI Special Agent-in-Charge Eric J. Rommal stated: "Through cooperation with our federal and state partners, the FBI will continue to aggressively investigate any attempts by persons seeking to fraudulently take advantage of education grants designed to help students in financial need. In this matter, the defendant selfishly chose to pursue her own agenda of fraud and deception, while jeopardizing the credit of her victims and hampering their legitimate efforts to obtain financial aid."

Louisiana State Inspector General Stephen Street commented, "This is a case of brazen and calculated fraud that had a direct impact on innocent citizens who had legitimate need for this financial aid. In our view, the prison sentence was entirely appropriate and sends a message that anyone who steals from the taxpayers had better be prepared to go to jail for it. Louisiana OIG will continue working with our law enforcement partners to make sure of it."

This matter is being handled by the U.S. Attorney's Office for the Middle District of Louisiana and the U.S. Department of Education—Office of the Inspector General, the Federal Bureau of Investigation, the Internal Revenue Service and the Louisiana Inspector General's Office. It is being prosecuted by Assistant United States Attorneys Ryan Crosswell and Jessica M.P. Thornhill.

