

Department of Justice

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BATON ROUGE MAN INDICTED FOR FRAUD SCHEME AND MONEY LAUNDERING RELATING TO FINANCIAL AID FRAUD

BATON ROUGE, LA – A federal grand jury recently returned a fourteen-count indictment charging Elliott Sterling, age 32, of Baton Rouge, Louisiana, with wire fraud, financial aid fraud, and engaging in monetary transactions involving property derived from specified unlawful activity. Sterling appeared for his arraignment yesterday and pled not guilty to the pending charges.

According to the indictment, between September 2017 and November 2019, Sterling engaged in a scheme to defraud the United States, wherein he enrolled individuals into classes at Baton Rouge Community College (“BRCC”) and illegally obtained federal financial aid funds on their behalf. In order to accomplish this, Sterling filed Free Applications for Federal Student Aid (“FAFSAs”) on behalf of each individual and misrepresented their prior education history, income, and dependents. Sterling also withheld his identity as the preparer of the FAFSAs. The indictment alleges that out of the over 250 individuals that Sterling secured funds on behalf of, only 32 had earned the requisite high school diploma or GED to qualify for those funds. In addition, Sterling obtained financial aid funds on behalf of individuals he knew were incarcerated.

Sterling used false information to execute Master Promissory Notes on behalf of the individuals and withheld the fact that the source of funds were loans that would need to be repaid by the individuals. When asked for documentation by BRCC, Sterling assisted the students with providing false information, including fake diplomas and/or transcripts. On occasion, Sterling would present himself as a student and paid others to impersonate students at BRCC.

After securing the financial aid funds, usually into his personal account or the account of his entity, Sterling Educational Consulting, LLC, Sterling issued a portion of the funds to the individuals and, without their knowledge, retained a large portion of the total refund for his own personal enrichment.

Sterling is also charged with one count of money laundering relating to a \$256,000 withdrawal of fraud proceeds from his personal bank account for conversion into a bank check.

This matter is being investigated by the Federal Bureau of Investigation, the Louisiana Office of Inspector General, and the United States Department of Education – Office of the Inspector General and is being prosecuted by Assistant United States Attorney Jessica Jarreau.

NOTE: An indictment is an accusation by a grand jury. The defendant is presumed innocent until and unless adjudicated guilty at trial or through a guilty plea.

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