

EDUCATION

# Parents in College-Admissions Cheating Case Face Additional Charges

New federal program bribery allegation could lead to tougher sentences if they are found guilty



An athletic department official from the University of Southern California was charged with conspiracy to commit federal program bribery. PHOTO: PATRICK T. FALLON FOR THE WALL STREET JOURNAL

*By Melissa Korn and Jennifer Levitz*

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BOSTON—Eleven parents who prosecutors say were involved in the nationwide college-admissions cheating scheme are now facing additional charges, raising the possibility of more significant prison time if found guilty.

The parents, including actress Lori Loughlin and fashion designer Mossimo Giannulli, are now being charged with trying to bribe college programs that receive federal funds. They previously faced just two charges related to conspiracy to commit honest-services fraud and money laundering.

Two former college coaches, as well as an athletic department official from the University of Southern California, were also charged with conspiracy to commit federal program bribery.

Nearly half the 35 parents caught up in Operation Varsity Blues since March continue to fight the case. Nineteen others have pleaded guilty, including four who admitted guilt Monday as the



## Additional Charges in College-Admissions Cheating Scandal



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So far 10 have been sentenced, with all but one receiving at least some prison time.

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Parents who already pleaded guilty don't face the new charges.

Prosecutors have struggled to identify damages and victims in the case where some parents paid mastermind William "Rick" Singer to secure admission to elite schools by cheating on admissions tests or falsely claiming kids were recruited athletes. Cheating on a college application itself isn't a crime.

The additional charges "would provide the government an alternate theory of liability, which could be helpful in the event the honest-services charges run into legal issues with judges or potential juries," said Greg Brower, a former U.S. attorney and shareholder at Brownstein Hyatt Farber Schreck LLP. "For some jurors, it's a much easier-to-understand statute."

The honest-services fraud statute, effectively an anticorruption tool, makes it a crime to cheat the government or a private employer out of a right to the "honest services" of its public servants or employees.

The new charge would also allow prosecutors to argue for stiffer punishments. Sanctions, based just on the honest-services fraud charge, have been lighter than the government requested. So far

10 parents have been sentenced under U.S. District Judge Indira Talwani, with punishments ranging from probation to five months in prison.

The superseding indictment could give Judge Nathaniel Gorton, who is overseeing the case against the parents who have pleaded not guilty, more leeway to veer from his colleague's precedent and impose higher sentences. No trial dates have been set for the parents who have pleaded not guilty.

In a statement, Massachusetts U.S. Attorney Andrew Lelling said, "Our goal from the beginning has been to hold the defendants fully accountable for corrupting the college admissions process through cheating, bribery and fraud."

Some defense lawyers for parents who maintain their innocence are arguing that payments made by parents were in line with a common practice—however distasteful some may see it—of universities basing admission decisions in part on expectations of donations from well-heeled families.

"Today's new bribery charge is an unprecedented attempt to criminalize a donation made to a university by a parent," said attorney Martin G. Weinberg, who represents Robert Zangrillo, a Miami developer and parent who has pleaded not guilty in the scheme.

The indictments indicate that Mr. Singer's scheme was broader than first suggested, noting that one person who allegedly took online classes for one teen is an unnamed co-conspirator. They also said Mr. Giannulli was introduced to Mr. Singer by an unindicted co-conspirator.

They also allege that former Georgetown tennis coach Gordon Ernst took bribes directly from at least one family, in addition to his payments from Mr. Singer. According to prosecutors, the father of a Georgetown applicant paid Mr. Ernst about \$220,000 between fall 2017 and summer 2018 in exchange for tagging his kid as a recruited tennis player. The payments came in the form of cash and checks made payable as school tuition for the coach's daughters.

The additional federal program bribery conspiracy charge was filed against 11 parents, all of whom allegedly worked to bribe employees at the University of Southern California.

The government also charged one of the 11 parents, financier John Wilson, with two counts of substantive federal programs bribery, not merely bribery conspiracy, for allegedly trying to pay bribes to get two other children into Harvard and Stanford universities. Prosecutors say he ultimately paid Mr. Singer \$1.5 million to facilitate the girls' admission to those schools as purported athletic recruits.

Mr. Wilson's lawyer declined to comment. Attorneys for Ms. Loughlin and Mr. Giannulli didn't immediately respond to requests for comment.

Four parents, including three now facing the bribery conspiracy charge, were also indicted by a federal grand jury on additional wire fraud and honest-services wire fraud charges.

Federal program bribery charges allow prosecutors to pursue alleged crimes perpetrated against private or state organizations, as long as those organizations receive at least \$10,000 in federal funds and the bribery was related to something valued at \$5,000 or more. The charge is commonly used against corrupt state officials who take kickbacks while their agencies accept federal funds. It also has become more popular as defense lawyers challenge charges of honest-services fraud.

Federal prosecutors have the option of adding on more charges as a case develops and can use the prospect of such additions to sway defendants to plead guilty to the lesser counts.

Mr. Ernst, Donna Heinel and Jorge Salcedo, now also facing the bribery conspiracy charge, are accused of soliciting and accepting bribes to get into Georgetown University, USC, and University of California, Los Angeles, respectively.

They, along with two other coaches and two alleged accomplices of the scheme's ringleader, were also charged with fraud conspiracy.

Nina Marino, the lawyer for Ms. Heinel, said, "The zeal with which this U.S. Attorney's Office strives to have long prison sentences hanging over these individuals' heads is staggering."

An attorney for Mr. Ernst declined to comment. Mr. Salcedo's lawyer said he was still waiting to review the charges.

The coaches and others who allegedly worked with Mr. Singer, including a test-site administrator and employee of his company, were previously charged with racketeering conspiracy.

Prosecutors have been eager to winnow down the number of defendants who could take the case to trial, keenly aware of the challenges associated with coordinating a trial with more than a dozen different defendants and related fact patterns.

Mr. Singer has pleaded guilty to four charges, including money laundering, wire fraud and racketeering conspiracy, and obstruction of justice.

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