DOD employee arrested for embezzlement scheme

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WASHINGTON - Jesse D. Lane, Jr., a Department of Defense (DOD) civilian employee, was arrested in Seattle, Wash., after being indicted by a grand jury in the Central District of California on one count of conspiracy, nine counts of honest services wire fraud, and one count obstruction of justice, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

According to court filings, Lane and his co-conspirators were members of the 223rd Finance Detachment, a unit of the California National Guard that processes pay for Army National Guard members, and were deployed together to Iraq and Kuwait from March 2004 until February 2005, when they returned to their home drilling post in Compton, Calif. Beginning in March 2005, and continuing through December 2005, Lane accessed a DOD pay-processing computer system and inputted over $320,000 in unauthorized DOD pay and entitlements for himself and his co-conspirators. In return, Lane's co-conspirators kicked back at least $150,000 of the money they received to Lane.

Lane faces a maximum penalty of five years in prison for conspiracy, 20 years in prison for honest services wire fraud, 10 years for obstruction of justice, three years of supervised release, and a fine of $250,000. He presently remains released on bond.

On Nov. 13, 2006, Lane's co-conspirators Jennifer Anjakos of Chula Vista, Calif., Lomeli Chavez of Oceanside, Calif., and Derryl Hollier and Luis Lopez of Los Angeles, each pleaded guilty to one count of conspiracy to commit wire fraud on related charges arising from this scheme in the U.S. District Court for the Central District of California in Los Angeles. Their sentencing has been scheduled for April 30, 2007.