

SEAL

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	:	Crim. No. 14-cr- 10237
	:	
v.	:	Violations: 18 U.S.C. § 371
	:	18 U.S.C. §§ 666(a)(1)(A) & 2
JOHN GEORGE, JR.	:	18 U.S.C. § 981(a)(1)(C) and
	:	28 U.S.C. § 2461(c)

**INDICTMENT**

THE GRAND JURY charges:

**COUNT ONE**

(Conspiracy to Commit an Offense against the United States - 18 U.S.C. § 371)

**Introduction:**

1. At all times relevant to this Indictment:

a. Defendant John George, Jr. (hereinafter "defendant GEORGE"),

was a resident of Dartmouth, Massachusetts. Defendant GEORGE was the (i) owner of the Union Street Bus Company ("USBC"), a bus operating company that managed, operated, and maintained public buses in New Bedford and Fall River, among other locations, and that employed approximately 50 individuals; and (ii) the operator of John George Farms (the "Farm"), a produce farm in Dartmouth, Massachusetts, which operated a local produce stand and distributed its produce in the southeastern Massachusetts area on a seasonal basis from approximately March through October. From approximately November through December of each year, the Farm sold Christmas trees and wreaths.

b. The Southeastern Regional Transit Authority ("SRTA") was a state

regional transit authority that provided public transit service for New Bedford, Fall River,

Acushnet, Dartmouth, Fairhaven, Freetown, Mattapoisett, Somerset, Swansea, and Westport (the “Region”). SRTA’s 10-member advisory board implemented the SRTA budget, awarded contracts, and appointed the SRTA administrator, who was responsible for managing SRTA’s day-to-day activities. From at least in or about 1995 to in or about December 2010, SRTA awarded USBC consecutive five-year contracts, under which SRTA paid USBC approximately over \$1,000,000 per year to manage, operate, and maintain the public bus transit services for the Region. From in or about December 2010 to in or about October 2011, SRTA paid USBC well over \$1,000,000 to manage and operate the public bus transit service for the Region on an interim basis, but did not award USBC another five-year contract. On a yearly basis from at least as early as 2005 to in or about October 2011, the aforementioned SRTA funds were used to pay USBC salaries, benefits, and other USBC expenses.

c. At defendant GEORGE’s direction, USBC funds were used to pay defendant GEORGE a monthly management fee, which USBC paid to Trans-AG Management, Inc., a holding company that was wholly-owned by defendant GEORGE. From these management fees, defendant GEORGE caused a portion of such management fees to be designated as defendant GEORGE’s USBC salary in order to qualify for SRTA pension benefits. In total, during the period from in or about 2007 to on or about September 30, 2011, defendant GEORGE directed USBC to pay himself over \$1,000,000 in management fees, through the following approximate payments:

USBC funds paid to GEORGE	2007	2008	2009	2010	2011	Total
USBC management fee	\$211,000	\$229,443	\$246,657	\$265,150	\$177,800	\$1,130,050

d. Worker 1 was defendant GEORGE's longtime companion, who resided with defendant GEORGE, and who was a full-time employee at USBC ("Worker 1"). Worker 1, an assistant administrator at USBC, received a yearly salary and benefits (including health insurance, pension and other benefits, collectively "benefits") of approximately \$93,000, and a car to use for USBC business. During the approximate months of March through October, however, Worker 1 regularly worked during Worker 1's USBC business hours at the Farm managing other Farm employees and managing the Farm's produce stand.

e. Worker 2 was a longtime associate of defendant George and also a full-time employee at USBC ("Worker 2"). Worker 2, a night supervisor at USBC, received a yearly salary and benefits of approximately \$93,000, and a vehicle to use for USBC business. At defendant GEORGE's direction, however, during the approximate months of March through October, Worker 2 drove Worker 2's USBC vehicle to the Farm and worked during Worker 2's USBC business hours on an almost daily basis to perform various Farm work, including, among other things, driving a tractor, loading and unloading produce, and performing other Farm duties. At defendant GEORGE's direction, during the approximate months of November and December, Worker 2 also worked during Worker 2's USBC business hours at the Farm to assist in selling Christmas trees and wreaths.

f. Worker 3 was a full-time employee at USBC and held the position of supervisor of maintenance at USBC ("Worker 3"). As the USBC supervisor of maintenance, Worker 3 supervised approximately 30 USBC employees, including Worker 2 and Worker 4, who was a bus mechanic responsible for performing repairs and maintenance work on SRTA buses and equipment ("Worker 4"). At defendant GEORGE's direction, Worker 4 was

dispatched by Worker 3 and others to the Farm on several occasions to use SRТА equipment to perform maintenance and repair work on Farm vehicles and equipment during Worker 4's USBC work hours. At defendant GEORGE's direction, Worker 3 and other USBC employees also used SRТА vehicles to plow snow at the Farm and at defendant GEORGE's residence during the winter.

g. Worker 5 was a full-time employee at USBC and held the position of information technology manager at USBC ("Worker 5"). As the USBC information technology manager, Worker 5 was responsible for the purchase, inventory, and maintenance of all computers and other electronic data systems at USBC. At defendant GEORGE's direction, however, USBC purchased and provided several USBC cellular phones to defendant GEORGE for use at the Farm and/or defendant GEORGE's personal use, including a cellular phone with international communication capability for use by defendant GEORGE when he was on vacation. In addition, at Worker 1's direction, Worker 5 purchased and provided USBC laptop computers, a router, and a fax machine for use at defendant GEORGE's residence.

h. An individual referred to herein as the "Associate" was defendant GEORGE's personal friend. From in or about 1995 to at least in or about 2005, the Associate served as the Dartmouth-representative for the SRТА advisory board. From in or about 2008 to 2010, Associate was the SRТА administrator.

### **USBC Received Federal Funds**

i. The United States Department of Transportation ("DOT") was an agency of the United States that provided millions of dollars in funding on a yearly basis to public transit authorities, including SRTA.

j. For each calendar year from at least 2005 through 2011, USBC received annual benefits from the DOT, through SRTA, in excess of \$10,000, which were funded by the DOT pursuant to numerous federal grants.

### **The Conspiracy**

2. From at least as early as in or about 2005 to in or about October 2011, in the District of Massachusetts and elsewhere, the defendant,

**JOHN GEORGE, JR.,**

did knowingly conspire, combine, confederate and agree with other persons known and unknown to the grand jury, to commit an offense against the United States of America, to wit, being an agent of an organization, namely, SRTA, to embezzle, steal, obtain by fraud and otherwise without authority knowingly convert to the use of a person other than the rightful owner and intentionally misapply, property valued at \$5,000 or more, which included labor, services, funds, and other goods, that was owned by, and was under the care, custody, and control of such organization, SRTA, that received in excess of \$10,000 in federal program benefits, funded by DOT, in any one-year period between 2005 and October 2011, in violation of Title 18, United States Code, Section 666(a)(1)(A).

### **Object of the Conspiracy**

3. It was an object of the conspiracy to embezzle, steal, convert, misapply,

and obtain by fraud and without authority approximately more than \$5,000 in SRТА funds on a yearly basis for the benefit of defendant GEORGE and his associates.

**Manner and Means of the Conspiracy**

4. It was a part of the conspiracy that defendant GEORGE hired and/or employed certain USBC workers, including, but not limited to, Workers 1, 2, 3, and 4, whom defendant GEORGE directed to work at the Farm, at defendant GEORGE's residence, and/or to perform Farm-related work at SRТА facilities during each respective Worker's USBC business hours.

5. It was a further part of the conspiracy that defendant GEORGE permitted Worker 1 to purportedly perform Worker 1's USBC duties from home (defendant GEORGE's residence) in order to conceal the fact that, in reality, Worker 1 worked as a manager at the Farm on a daily basis and was responsible for hiring and supervising Farm employees who worked at the Farm produce stand.

6. It was a further part of the conspiracy that defendant GEORGE and Worker 1 caused SRТА vehicles to be used for non-USBC business purposes, which included: (a) commuting to the Farm and using SRТА vehicles for Farm business; and (b) using SRТА vehicles for personal purposes, such as personal trips outside Massachusetts. Worker 1 also directed other USBC workers to use SRТА facilities to re-fuel Worker 1's SRТА vehicle for Farm or other personal business, and on one occasion, Worker 1 directed Worker 3 to fix a flat tire on Worker 1's SRТА vehicle, which Worker 1 had been driving in Rhode Island for personal use.

7. It was a further part of the conspiracy that Worker 1 caused USBC to

purchase office supplies and other items for use at the Farm and/or defendant GEORGE's residence.

8. It was a further part of the conspiracy that, in or about 2005, defendant GEORGE provided the Associate, then a SRТА advisory board member, with questions to ask to another bidder who was competing with USBC for the five-year SRТА contract.

9. It was a further part of the conspiracy that, in or about 2006, defendant GEORGE caused USBC to pay approximately \$10,000 to a contractor ("Contractor") to compensate the Contractor for performing personal construction work, including re-modeling a kitchen, at defendant GEORGE's residence.

10. It was a further part of the conspiracy that, in or about 2010, defendant GEORGE advised the Associate, then the SRТА administrator, that the Associate should limit public advertisement for the SRТА contract bidding process, which would thereby reduce USBC's competition in its bid for the five-year SRТА contract.

11. It was a further part of the conspiracy that, in or about 2010, defendant GEORGE directed certain USBC managers and employees to attend a \$100-per-person political fundraiser to support defendant GEORGE's efforts to garner political support to assist USBC in retaining and renewing the SRТА contract.

12. It was a further part of the conspiracy that, in or about 2011, faced with the termination of USBC's contract with SRТА, defendant GEORGE inflated his purported USBC salary by approximately \$200,000 (from \$75,000 to \$275,000) in order to boost his yearly pension payment from SRТА.

### Overt Acts

13. In furtherance of the conspiracy, and to accomplish the object thereof, the conspirators committed one or more of the following overt acts in the District of Massachusetts and elsewhere:

a. During the period including from at least as early as in or about 2005 to in or about October 2011, defendant GEORGE caused Worker 1 to be paid USBC salary and benefits, while Worker 1 regularly worked at the Farm during Worker 1's USBC business hours.

b. During the period including from at least as early as in or about 2005 to in or about October 2011, defendant GEORGE caused Worker 2 to be paid USBC salary and benefits, while Worker 2 regularly worked at the Farm during Worker 2's USBC business hours.

c. During the period including from at least as early as in or about 2005 to in or about October 2011, defendant GEORGE caused Worker 3 to use SRTA equipment to perform snow plowing at the Farm during Worker 3's USBC business hours.

d. During the period including from at least as early as in or about 2005 to in or about October 2011, defendant GEORGE caused Worker 4 to use SRTA equipment to perform sandblasting and paint work on a Farm tractor.

e. During the period including from at least as early as in or about 2008 to in or about 2010, defendant GEORGE caused Worker 4 to use SRTA air conditioning equipment to the Farm in order to perform a repair on a Farm vehicle.

f. In or about September 2010, defendant GEORGE directed a USBC

assistant manager to send Worker 4 to the Farm during Worker 4's USBC business hours to perform Farm-related work.

g. During the period including from at least as early as in or about 2005 to in or about October 2011, Worker 1 directed other USBC workers to use SRTA facilities to re-fuel Worker 1's SRTA vehicle for Farm or other personal business.

h. During the period including from at least as early as in or about 2005 to in or about October 2011, Worker 1 caused USBC to purchase office supplies and other items for use at the Farm and/or defendant GEORGE's residence.

i. In or about 2005, defendant GEORGE provided the Associate, then a SRTA board member, with questions to ask to another bidder for the SRTA contract.

j. In or about 2006, defendant GEORGE caused USBC to pay approximately \$10,000 to Contractor to compensate the Contractor for performing personal construction work, including re-modeling a kitchen, at defendant GEORGE's residence.

k. In or about 2010, defendant GEORGE advised the Associate, then the SRTA administrator, that the Associate should limit public advertisement for the SRTA contract bidding process.

l. In or about 2010, defendant GEORGE directed certain USBC managers and employees to attend a \$100-per-person political fundraiser.

m. In or about 2011, defendant GEORGE inflated his purported USBC salary by approximately \$200,000 (from \$75,000 to \$275,000).

All in violation of Title 18, United States Code, Section 371.

**COUNT TWO**

(Embezzlement from an Organization Receiving Federal Funds –  
18 U.S.C. §§ 666(a)(1)(A) and 2)

THE GRAND JURY further charges that:

1. Paragraphs 1 and 13a. through 13m. of Count One of the Indictment are hereby incorporated and realleged as if fully set forth herein.

2. From in or about 2008 to in or about October 2011, in the District of Massachusetts and elsewhere, the defendant,

**JOHN GEORGE, JR.**

being an agent of an organization, namely, SRTA, embezzled, stole, obtained by fraud and otherwise without authority knowingly converted to the use of a person other than the rightful owner and intentionally misapplied, property valued at \$5,000 or more, which included labor, services, funds, and other goods, that was owned by, and was under the care, custody, and control of such organization, SRTA, that received in excess of \$10,000 in federal program benefits, funded by DOT, in any one-year period between in or about 2008 and in or about October 2011.

All in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

**FORFEITURE ALLEGATIONS**  
**(18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461(c))**

1. Upon conviction of either of the offenses charged in Counts One and Two of this Indictment, the defendant,

**JOHN GEORGE, JR.**

shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, that constitutes, or is derived from, proceeds traceable to the commission of the offenses.

2. If any of the property described in paragraph 1 hereof as being forfeitable pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), as a result of any act or omission of the defendant --

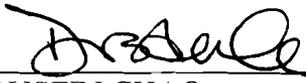
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to 28 U.S.C. § 2461(c), incorporating 21 U.S.C. § 853(p), to seek forfeiture of all other property of the defendant up to the value of the property described in paragraph 1 above.

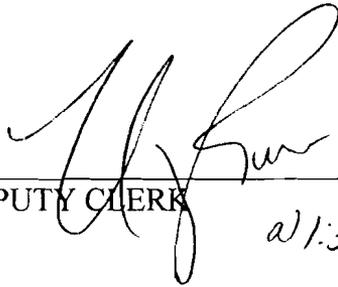
All pursuant to Title 18, United States Code, Section 981 and Title 28, United States Code, Section 2461(c).

A TRUE BILL

  
FOREPERSON OF THE GRAND JURY

  
DUSTIN CHAO  
ASSISTANT U.S. ATTORNEY

U.S. DISTRICT OF MASSACHUSETTS; August 5, 2014.  
Returned into the District Court by the Grand Jurors and filed.

  
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8/5/2014