



NEWS RELEASE

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Trucking School Owner and President Pleads Guilty in \$4.2 Million Fraud for Collecting Tuition for Veterans Who Didn't Attend Classes

LOS ANGELES – The owner and president of a San Fernando Valley trucking school pleaded guilty today to federal criminal charges for bilking the United States Department of Veterans Affairs out of more than \$4 million in tuition and other payments after falsely certifying that veterans had attended classes that they never took.

Emmit Marshall, 52, of Woodland Hills, pleaded guilty to five felony counts of wire fraud. United States District Judge Stephen V. Wilson scheduled a November 18 sentencing hearing, where Marshall will face a statutory maximum sentence of 100 years in federal prison.

Marshall, the owner and president of Chatsworth-based Alliance School of Trucking (AST), admitted in his plea agreement that, from July 2011 until April 2015, he and co-defendant Robert Waggoner, 56, of Canyon Country, who was a director at AST, schemed to defraud the VA. Marshall and Waggoner recruited eligible veterans to take trucking classes paid under the Post-9/11 GI Bill. AST was certified to offer classes under the Post-9/11 GI Bill that included a 160-hour Tractor Trailer & Safety class and a 600-hour Select Driver Development Program.

Pursuant to the Post-9/11 GI Bill, the VA paid tuition and fees directly to the school at which the veteran was enrolled. The VA also paid a housing allowance to the veteran enrolled full-time in an approved program, and, in some cases, the VA paid a books and supplies benefit directly to the veteran. Marshall admitted that Waggoner and another individual recruited eligible veterans to enroll at AST by telling the veterans they could collect housing and other fees from the VA without attending the programs. Knowing that the vast majority of veterans enrolling at AST did not intend to attend any portion of those programs, Marshall and Waggoner created and submitted fraudulent enrollment certifications, according to Marshall's plea agreement. They also created student files that contained bogus documents.

When they became aware of the investigation into their conduct, Marshall, Waggoner and others at AST removed fraudulent documents from student files, and Marshall later ordered that these files be destroyed, the plea agreement states.

From the end of 2011 through April 2015, as a result of the fraudulent scheme, the VA paid AST approximately \$2.3 million in tuition and fee payments for veterans who purportedly attended approved programs at AST, according to the plea agreement. During that same period, the VA also paid approximately \$1.9 million in education benefits directly to veterans who purportedly attended approved programs at AST, the plea agreement states. Investigators are continuing to finalize the exact loss figure, but the total loss to the VA is estimated to be approximately \$4.2 million

Waggoner is scheduled to go to trial in this case on February 25, 2020.

This matter was investigated by the U.S. Department of Veterans Affairs' Office of Inspector General, the U.S. Department of Justice Office of the Inspector General, and the Federal Bureau of Investigation.

This case is being prosecuted by Assistant United States Attorney Kimberly D. Jaimez of the Major Frauds Section.

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