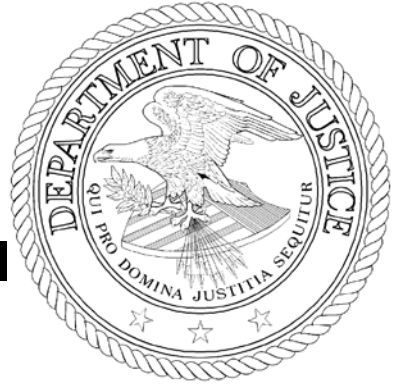


NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

FORMER EL CAJON COUNCILWOMAN PLEADS GUILTY TO EMBEZZLING MILLIONS

NEWS RELEASE SUMMARY – September 14, 2012

Jillian Hanson-Cox pled guilty today in federal court to charges of mail fraud and filing a false income tax return stemming from her employment at Century Design Inc. (CDI), in San Diego, California, announced United States Attorney Laura E. Duffy. Appearing before Magistrate Judge William V. Gallo, Hanson-Cox pled guilty to a two-count felony information alleging that she stole approximately \$3.5 million from CDI and failed to report the income on her tax returns.

According to court records, Hanson-Cox worked as CDI's Controller for most of the period between 2004 and 2008. She abused this position by writing unauthorized checks from CDI's business account to pay for her personal expenses (including her credit cards), and to pay for services and items related to her community activities. To conceal the fact that she had signed unauthorized CDI checks to

pay businesses and vendors for her personal benefit, Hanson-Cox made false entries in CDI's books and records that reflected a different payee rather than the actual payee on the check. In total, she embezzled approximately \$3.5 million from April 2004 to October 2008.

Hanson-Cox admitted today that, after embezzling these funds from CDI, she failed to report them on her individual income tax returns for the years 2005, 2006, 2007 and 2008. As a result, the IRS lost more than \$1.2 million in revenue.

United States Attorney Duffy emphasized that investigating and prosecuting misconduct by public officials will remain one of the highest obligations of her Office, "I am dedicated to pursuing officials who engage in illegal activity, whether it is connected to their public office or private employment. While embezzling millions of dollars from CDI, former councilwoman Hanson-Cox not only traded on her reputation as a public official, but also betrayed every citizen who expected her to act honestly in both her private and public affairs."

FBI Special Agent in Charge, Daphne Hearn, commented, "Ms. Hanson violated the trust of her employer and the people she served in the community. She unjustly enriched herself at the expense of those who trusted her the most. The FBI is committed to pursuing those individuals who hide behind a facade of honesty and integrity and use their position of trust to unlawfully enrich themselves."

Leslie P. DeMarco, Special Agent in Charge of IRS-Criminal Investigation (IRS-CI) Los Angeles Field Office commented, "Elected officials are subject to the same tax laws as the rest of America. It is simply unacceptable for elected officials to break our tax laws. IRS-CI works to ensure that everyone pays their fair share of taxes and ensure that those who don't are held accountable. Status as an elected official will not protect you from prosecution."

During the events described above, Hanson-Cox also served part-time on the El Cajon City Council. She was elected to the City Council in 2004 and resigned on March 5, 2012, after FBI and IRS agents executed a search warrant at her home and office.

The defendant has been released on bond pending sentencing. The case has been assigned to U.S. District Judge Michael M. Anello; the guilty plea is not final until it has been accepted by the district court. Hanson-Cox is scheduled to be sentenced on December 3, 2012, at 9:00 a.m.

DEFENDANT **Case Number: 12CR3763MMA**

Jillian Hanson-Cox Age: 53 El Cajon, California

SUMMARY OF CHARGES

Count 1: Mail fraud, in violation of Title 18, United States Code, Section 1341 - Maximum penalties: 20 years in prison, \$250,000 fine or twice the gross gain or loss resulting from the offense, term of supervised release of three years, restitution, forfeiture, and \$100 special assessment.

Count 2: Filing False Tax Return, in violation of Title 26, United States Code, Section 7206(1) - Maximum penalties: Three years in prison, \$100,000 fine, term of supervised release of one year, restitution, and \$100 special assessment.

INVESTIGATING AGENCIES

Federal Bureau of Investigation
Internal Revenue Service - Criminal Investigation