



Department of Justice

United States Attorney Donald J. Cazayoux, Jr.
Middle District of Louisiana

FOR IMMEDIATE RELEASE
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LAWYER GUILTY OF MAIL FRAUD

BATON ROUGE, LA – United States Attorney Donald J. Cazayoux, Jr. announced that RANDY P. ZINNA, 53, of Baton Rouge, Louisiana, pled guilty in October 2010 before Chief Judge Ralph E. Tyson to mail fraud.

As a result of his guilty plea, ZINNA faces a maximum sentence of twenty (20) years imprisonment, over \$2 million in fines, or both.

In pleading guilty, ZINNA agreed to the following facts. ZINNA, who was an attorney licensed to practice in Louisiana, represented the Municipal Police Employees' Retirement System of Louisiana (MPERS), which was a retirement system established by the Louisiana Legislature to provide retirement and other benefits for employees of municipal police departments. MPERS, through a wholly owned subsidiary named Olde Oaks Development, LLC, owned, for investment purposes, a real estate development known as Olde Oaks Subdivision in Bossier City, Louisiana. ZINNA served as manager of Olde Oaks Development. From 2002 through 2009, ZINNA deposited into his law office escrow account Olde Oaks Development checks made payable to contractors of Olde Oaks Development on invoices then due and owing to the contractors, more than \$850,000 in proceeds from the sale of lots in Olde Oaks Subdivision, and over \$2,000,000 in MPERS funds. Although some of the monies were eventually remitted to the intended recipients, ZINNA retained some of the funds and used them for his personal benefit. In 2009, defendant ZINNA obtained three checks totaling \$570,000 from an 83-year-old widow with the understanding that the funds would be invested for her benefit. Instead, defendant ZINNA used the funds for his own personal benefit, primarily to re-pay Olde Oaks Development for lot sales proceeds which had been deposited into his escrow account and used for his personal benefit.

In a signed plea agreement, ZINNA has agreed to make restitution of over \$1,000,000 to the victims of the scheme. In addition, ZINNA has agreed to make restitution of over \$340,000 to the East Baton Rouge City-Parish Employees' Retirement System.

Louisiana Inspector General Stephen Street commented, "This guilty plea shows what can be accomplished when state agencies such as the Legislative Auditor, Attorney General and Inspector General work together with the FBI and United States Attorney. From day one, this was a true team effort that helped to uncover the brazen theft of more than 1.5 million

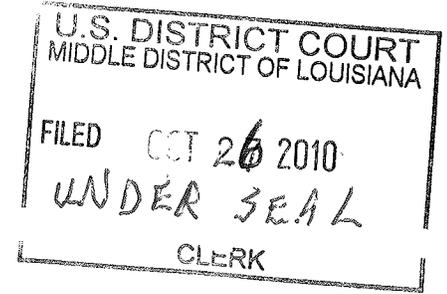
dollars. I want to express my thanks to Mr. Cazayoux, former U.S. Attorney David Dugas, and AUSA Patricia Jones.”

“I want to commend the investigative efforts of the Louisiana Inspector General’s Office, the Louisiana Attorney General’s Office, the Louisiana Legislative Auditor’s Office, and the Federal Bureau of Investigation. Through the leadership of Inspector General Street and the whole investigative team, we were able to prosecute this man who first betrayed the trust of his client, MPERS, and the public in general by stealing from the pension fund he represented. His efforts to cover up his crime by stealing from another client, an elderly widow, make his actions all the more reprehensible. We will not tolerate this behavior and will continue to make prosecuting crimes involving the breach of the public trust a priority.”

The case is being prosecuted by Assistant United States Attorney M. Patricia Jones.

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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA



UNITED STATES OF AMERICA

versus

RANDY P. ZINNA

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CRIMINAL NO. 10- 98-RET-DLD

PLEA AGREEMENT

1.

The Office of the United States Attorney for the Middle District of Louisiana, through undersigned counsel, and the above-named defendant agree that the defendant will enter a plea of guilty to a Bill of Information charging mail fraud in violation of 18 U.S.C. § 1341.

2.

The United States Attorney and the defendant agree that, if the Court accepts the guilty plea, no additional criminal charges related to the violation contained in the Bill of Information will be brought against the defendant in this district.

3.

The defendant agrees to provide complete and truthful information to any law enforcement agent or attorney of the United States or the State of Louisiana and at any grand jury proceeding or trial. The defendant waives the Fifth Amendment privilege against self-incrimination. This Plea Agreement, however, is not conditioned upon any obligation of the United States or the State of Louisiana to receive, or act upon, information which the defendant may now or in the future provide or stand ready to provide.

4.

The United States Attorney agrees to inform the Court of defendant's actions pursuant to this Plea Agreement. The United States, however, is not obliged, as a condition of this Plea Agreement, to file any motion with the Court, either for a downward departure under Section 5K1.1 of the United States Sentencing Guidelines or to reduce the defendant's sentence under Rule 35 of the Federal Rules of Criminal Procedure. If a motion is filed, the Court, in its discretion, may or may not reduce the sentence below the guidelines range otherwise applicable.

5.

Except as otherwise provided herein, no truthful testimony or other information provided by the defendant pursuant to this Plea Agreement, or any information derived therefrom, will be used against the defendant in any criminal trial. Except as provided in Section 1B1.8(b) of the United States Sentencing Guidelines or as otherwise provided herein, the information provided by the defendant pursuant to this Plea Agreement will not be used against him in computing the applicable guidelines range.

6.

If the defendant breaches this Plea Agreement by failing to plead guilty to the Bill of Information, refusing to provide information or testimony, providing false or misleading information or testimony, or violating the terms of this Plea Agreement in any other manner, any information provided by the defendant, and any information derived therefrom, may be used against the defendant in this or any other prosecution without limitation. Such

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information includes, but is not limited to, statements made by the defendant in debriefings and the factual basis contained in Paragraph 10 of this Plea Agreement. In addition, in the event of such a breach, the defendant may be prosecuted for any offense covered by this Plea Agreement. The defendant's plea of guilty may not be withdrawn.

7.

The defendant agrees to fully and truthfully complete the financial statement provided to him by the Office of the United States Attorney and to return the financial statement to the undersigned Assistant United States Attorney within ten days of this agreement being filed with the Court. Further, upon request, he agrees to provide the Office of the United States Attorney with any information or documentation in his possession regarding his financial affairs and agrees to submit to a debtor's examination when requested. The defendant agrees to provide this information whenever requested until such time as any judgment or claim against him, including principal, interest, and penalties is discharged or satisfied in full. This information will be utilized to evaluate his capacity to pay the government's claim or judgment against him, whatever that claim or judgment may be. If the defendant refuses to comply with this paragraph or provides false or misleading information, he may, after a judicial finding of such, be prosecuted for any offense covered by the agreement, and all statements and information provided by the defendant may be used against him. The defendant's plea of guilty may not be withdrawn.

8.

The defendant hereby expressly waives the right to appeal his conviction and sentence, including any appeal right conferred by Title 18, United States Code, Section 3742, and to challenge the conviction and sentence in any post-conviction proceeding, including a proceeding under Title 28, United States Code, Section 2255, and any modification of sentence pursuant to Title 18, United States Code, Section 3582(c)(2). The defendant, however, reserves the right to appeal the following: (a) any punishment imposed in excess of the statutory maximum; (b) any punishment which is an upward departure pursuant to the guidelines; and (c) any punishment which is above the guidelines range calculated by the Court. Nothing in this paragraph shall act as a bar to the defendant perfecting any legal remedies he may otherwise have on appeal or collateral attack respecting claims of ineffective assistance of counsel.

9.

The defendant understands that, as a result of this Plea Agreement, he could receive a maximum sentence of twenty years imprisonment, a \$250,000 fine, or both. In addition, the Court must impose a special assessment of \$100, which defendant agrees to pay at the time of sentencing. The Court may also order restitution in accordance with law. The defendant understands that, if the Court imposes a term of imprisonment, he may also receive a term of supervised release after imprisonment of not more than three years. The defendant further understands that supervised release is a period of supervision during which he must comply with certain rules. Supervised release is imposed in addition to a sentence of imprisonment,

OR THE FINE AUTHORIZED
UNDER 18 U.S.C. § 3571(d),

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and a violation of the conditions of supervised release can subject the defendant to imprisonment for a term of two years, without credit for any time already served on the term of supervised release. The defendant understands that the Court, while not bound to apply the Sentencing Guidelines, must consult the guidelines and take them into account when sentencing.

10.

The United States and the defendant stipulate, for purposes of Rule 11(b)(3) of the Federal Rules of Criminal Procedure and pursuant to Section 6B1.4 of the United States Sentencing Guidelines, to the following factual basis:

At all relevant times, defendant **RANDY P. ZINNA** was an attorney who was licensed to practice law in the State of Louisiana. Defendant **ZINNA** had a law office in Baton Rouge, Louisiana. One of defendant's clients was the Municipal Police Employees' Retirement System of Louisiana (MPERS), which was a retirement system established by the Louisiana Legislature to provide retirement and other benefits for employees of municipal police departments.

MPERS, through a wholly owned subsidiary named Olde Oaks Development, LLC, owned, for investment purposes, a real estate development known as Olde Oaks Subdivision in Bossier City, Louisiana. Defendant **ZINNA** served as manager of Olde Oaks Development.

Beginning in or around November 2004 and continuing through in or about October 2009, defendant **ZINNA** deposited more than \$857,000 in checks made payable to Olde Oaks Development into his law office escrow account in Baton Rouge, Louisiana. The checks represented the proceeds of lot sales in Olde Oaks Subdivision and were sent to defendant **ZINNA** by the closing attorney for deposit into the Olde Oaks Development account. The checks were sent to defendant **ZINNA** by commercial interstate carrier from Bossier Parish, Louisiana, during the period from October 22, 2004, to July 2, 2009.

Defendant **ZINNA** endorsed many of the checks with the notation “for escrow.” After deposit of the checks into his escrow account, defendant **ZINNA** used some of the funds for his personal benefit.

Beginning in or around March 2005 and continuing through in or about April 2009, defendant **ZINNA** deposited checks made payable to various entities connected with the Olde Oaks Subdivision into his law office escrow account. In particular, defendant **ZINNA** deposited Olde Oaks Development checks made payable to contractors of Olde Oaks Development on invoices then due and owing to the contractors. As with the lot closing checks, defendant **ZINNA** often endorsed the checks with a notation that the deposit was to be held in “escrow.” After deposit of the checks into his escrow account, defendant **ZINNA** used some of the funds for his personal benefit. Many of the contractors were, however, eventually paid from defendant **ZINNA**’s escrow account.

In 2004, defendant **ZINNA** deposited over \$200,000 in checks made payable to MPERS into his law office escrow account. In 2007, defendant **ZINNA** caused the wiring of over \$2,000,000 belonging to MPERS into his law office escrow account. Although defendant **ZINNA** eventually remitted the majority of the funds to MPERS, he retained \$387,044.90. He used some of the funds for his own personal benefit, and has never fully re-paid MPERS.

In 2009, defendant **ZINNA** obtained three checks totaling \$570,000 from M.M., an 83-year-old widow. M.M. gave the checks to defendant **ZINNA** with the understanding that the funds would be invested for her benefit. Defendant **ZINNA** deposited the checks into his law office escrow account and did not invest the funds for M.M. Instead, defendant **ZINNA** used the funds for his own personal benefit, primarily to re-pay Olde Oaks Development for lot sales proceeds which had been deposited into his escrow account and used for his personal benefit.

Defendant **ZINNA** has been interviewed several times by investigators from the Office of the Louisiana Inspector General and the Federal Bureau of Investigation. He admitted that checks from lot closings and checks to pay for Olde Oaks expenses were deposited into his account and used to pay for his own sports gambling debts. He also admitted that he concealed from MPERS and its auditors the lot closing proceeds which were diverted to his escrow account. Finally, he admitted that the money he received from M.M. was used to re-pay Olde Oakes Development for the lot closing proceeds.

The defendant understands that the Court is not bound by this stipulation.

11.

As a condition of this Plea Agreement, defendant agrees that the Court will order full restitution for the count charged in the Bill of Information in the following amounts to the following individual and entities:

M.M.	\$546,351.82
MPERS	\$434,164.11
Olde Oaks Development, LLC	\$136,614.10
Specialty Trackhoe	\$67,154.00
Center Point Entergy	\$26,449.00
SWEPCO	\$22,912.00

In addition, the defendant and the United States agree, pursuant to Title 18, United States Code, Section 3663(a)(3), that the Court shall not be limited to the count of conviction for purposes of ordering restitution. As a condition of this Plea Agreement, defendant agrees that the Court will order full restitution to the East Baton Rouge City-Parish Employee's Retirement System in the amount of \$340,392.93.

12.

Because of the amount of restitution to be ordered, the United States agrees to recommend, pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, that defendant's sentence not include a fine. The defendant understands that the Court is not bound by the recommendation of the United States.

13.

The United States and the defendant stipulate, pursuant to Section 6B1.4 of the United States Sentencing Guidelines, to the following facts:

- a. The amount of loss for purposes of U.S.S.G. § 2B1.1 is \$1,305,973.54.
- b. The defendant was not an organizer, leader, manager, or supervisor of criminal activity within the meaning of U.S.S.G. § 3B1.1.
- c. The offense did not involve sophisticated means within the meaning of U.S.S.G. § 2B1.1.

The defendant understands that the Court is not bound by these stipulations.

14.

The United States agrees to take no position with respect to the application of U.S.S.G. § 3A1.1(b) (vulnerable victim) other than to provide facts to the Court and the probation office and to correct any misstatement of fact.

15.

The defendant understands that the Bill of Information charges him with the commission of more than one crime in a single count. The defendant waives any objection to being charged with more than one crime in a count.

16.

The United States and the defendant further agree that should the Court, at the time of sentencing, find that, pursuant to Section 3E1.1(a), United States Sentencing Guidelines, the defendant qualifies for a two level decrease in offense level for acceptance of responsibility,

and prior to the operation of Section 3E1.1(a) the defendant's offense level is 16 or greater, the United States will move the Court pursuant to Section 3E1.1(b), United States Sentencing Guidelines, to decrease defendant's offense level by one additional level for acceptance of responsibility.

17.

Pursuant to Rule 11(c)(3)(A) and 11(c)(5), Federal Rules of Criminal Procedure, the Court may accept or reject this Plea Agreement or may defer its decision as to the acceptance or rejection until there has been an opportunity to consider the Presentence Report. If the Court rejects the Plea Agreement, the Court, on the record, will so inform the defendant and advise the defendant that the Court is not bound by the Plea Agreement. The Court will give the defendant an opportunity to withdraw the plea and will advise the defendant that, if the plea is not withdrawn, the disposition of the case may be less favorable to the defendant than contemplated by the Plea Agreement.

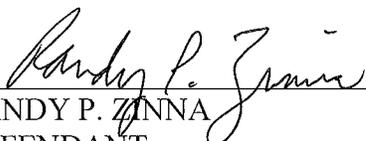
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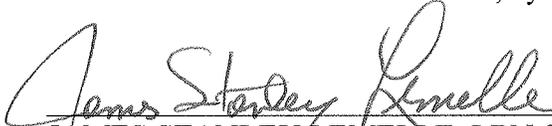
The defendant acknowledges that there is no agreement with the United States as to the actual sentence that will be imposed by the Court as a result of this Plea Agreement and acknowledges that no promises or assurances have been made to him as to what the sentence will be. The defendant acknowledges that the terms herein constitute the entire agreement and that no other promises or inducements have been made. The defendant acknowledges that he has not been threatened, intimidated, or coerced in any manner.

The defendant acknowledges that this Plea Agreement has been entered into knowingly, voluntarily, and with the advice of counsel, and that he fully understands the agreement. The defendant has no objection to the legal representation he has received.

This Plea Agreement is entered into this 17th day of June, 2010, at Baton Rouge, Louisiana.

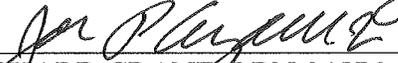
UNITED STATES OF AMERICA, by


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