



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Southern District of California

FOR IMMEDIATE RELEASE

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Former Major and Lt. Col. Sentenced for Defrauding the Marine Corps

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NEWS RELEASE SUMMARY – February 27, 2017

SAN DIEGO – A former Lieutenant Colonel in the U.S. Marine Corps Reserves was sentenced to three months in custody followed by six months' community confinement in a halfway house and ordered to pay forfeiture and restitution today for participating in a four-year wire fraud conspiracy to defraud the Marine Corps out of over \$205,000.

Lieutenant Colonel Michael K. Strom pretended to rent the home of his fellow officer, former reservist Major Jason H. Wild, in order to claim reimbursements from the Marines when called to active duty at Camp Pendleton. Wild, in turn, pretended to rent Strom's home. Both men submitted phony lease agreements and rental receipts to support their false claims. In truth, each man owned his own home next to Camp Pendleton and never paid any of the claimed rent.

During the sentencing hearing, U.S. District Judge Anthony J. Battaglia told the defendant: "Those that are so key to our country's safety, our way of life, when they cross the line, it's serious." Strom pleaded guilty in October 2016 to conspiring to commit wire fraud, and filing false claims with the United States.

Co-defendant Wild, who was convicted by a jury at trial last November, was sentenced on February 21, 2017, to nine months in custody followed by six months' community confinement in a halfway house. Judge Battaglia also imposed the same \$205,628 forfeiture judgment and restitution order against Wild.

Wild owned his own home in Oceanside, California throughout the time he claimed rental benefits from the Marine Corps. Evidence at Wild's trial, including witness testimony, credit card statements, tax returns, and bank records, established that Wild lived in his Oceanside home throughout the period he falsely claimed to pay \$38,442 to rent Strom's home in Laguna Niguel, California.

Five months after Wild's "rental" concluded, Strom was activated at Camp Pendleton and falsely claimed for two years to rent Wild's Oceanside home from Wild's friend. Although Strom told the Marine Corps he paid \$98,736 to rent Wild's home, the evidence at trial demonstrated that Strom lived in his own home in Laguna Niguel throughout the sham "lease" period.

Financial records, including a bank analysis performed by the Naval Audit Service, established that neither defendant had paid a dollar of the claimed rent.

"Members of the armed forces who defraud the military out of its funds don't just steal from taxpayers; they rob their comrades in arms of the resources they need to defend each other and our country," said Acting U.S. Attorney Alana W. Robinson. "This Office will continue to investigate and prosecute those who put their own financial gain before the public trust they are sworn to uphold."

Robinson commended the close coordination between the investigating agencies—the Department of Defense, Defense Criminal Investigative Service; the Naval Criminal Investigative Service; and the Department of Homeland Security, Office of the Inspector General—during the investigation of this case.

"The successful investigation and prosecution of these two former U.S. Marine Corp Reserve Officers, who prioritized greed over duty, demonstrates a commitment to hold accountable those who unlawfully divert precious resources needed to protect our Marines," said Chris Hendrickson, Special Agent in Charge, Defense Criminal Investigative Service.

"The successful prosecution in this case was the direct result of collaborative teamwork between the Naval Criminal Investigative Service, its law enforcement partners, and the U.S. Attorney's Office," said Gunnar Newquist, Special Agent in Charge of the NCIS Southwest Field Office. "Convictions like this should serve as a deterrent to those who would put personal gain above their responsibility to American taxpayers and warfighters."

"I am pleased with this successful investigation and prosecution," said Amanda Thandi, Special Agent in Charge for the U.S. Department of Homeland Security, Office of the Inspector General. "We all suffer when federal programs are undermined by fraud. DHS OIG agents and our law enforcement partners will work aggressively to protect these vital programs and make sure that those who steal from them ultimately pay for their crimes."

DEFENDANT Case No. 15-cr-2771-AJB

Jason H. Wild 45 years old Oceanside, California

Michael K. Strom 48 years old Laguna Niguel, California

CHARGES

Wire Fraud Conspiracy - 18 U.S.C. § 1349

Maximum penalty: 20 years' imprisonment, \$250,000 fine, three years' supervised release, forfeiture and restitution.

False Claim – 18 U.S.C. § 287

Maximum penalty: 5 years' imprisonment and \$250,000 fine, three years' supervised release, forfeiture and restitution.

AGENCIES

Department of Defense, Defense Criminal Investigative Service

Naval Criminal Investigative Service

Department of Homeland Security, Office of the Inspector General

CAS17-0228-Strom

USAO - California, Southern

Topic:

Financial Fraud

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