

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)	<u>INFORMATION</u>
)	
Plaintiff,)	
)	
v.)	Case no. _____
)	Title 18, §§1341, 1001 and 2, United States
DIANE VETTORI-CARABALLO,)	Code and Title 31, § 5324, United States
)	Code
Defendant.)	

The United States Attorney charges:

Count 1
(Mail Fraud – 18 U.S.C. § 1341)

General Allegations

1. At all times material herein, Defendant DIANE VETTORI-CARABALLO was an attorney licensed to practice law in the State of Ohio who maintained a law office in Youngstown, Ohio.
2. In 2002, Defendant was elected to the position of Judge of the Mahoning County Court #3 – Sebring Court. She was re-elected in 2006 and 2012. The Court had jurisdiction over misdemeanor criminal and traffic charges, small claims and civil complaints, initial appearances on felony charges and probation violations from Sebring and Beloit Villages and Berlin, Green, Goshen, Ellsworth, Smith and Washingtonville Townships.

3. For many years, Defendant provided estate planning services to Robert Sampson. In September or early October of 2010, Sampson executed a Will that Defendant had drafted. The original Will remained in the possession of Sampson. A copy of the original Will remained in Defendant's possession until October 4, 2015 when Sampson died. His closest living relative was his sister, Dolores Falgiani.

4. On or about May 5, 2014, Sampson opened a safe deposit box at Home Savings. After opening the box, Sampson remained in the safe deposit room for about five minutes.

5. On or about October 4, 2015, Sampson died without ever again entering the Home Savings safe deposit box.

6. On or about November 3, 2015, Defendant witnessed Falgiani execute a Will that Defendant had prepared. The Will made 16 specific bequests to nieces, nephews and friends, and bequeathed the remainder of her estate to Animal Charity Humane Society of Boardman, Ohio and to the Angels for Animals Charity of Canfield, Ohio.

7. On or about November 20, 2015, Defendant filed an Application for Authority to Administer the Sampson Estate with the Mahoning County Probate Court. The application stated that Sampson died intestate, although Defendant then knew that Sampson had executed a Will she had drafted in 2010. The matter was assigned case number 2015 ES 00638.

8. On or about November 23, 2015, the Probate Court, unaware of the 2010 Will, issued an order stating Sampson had died intestate and appointing his sister, Falgiani, as the administrator.

9. Sometime in October or November 2015, Falgiani stated she was in possession of several shoeboxes of cash stored in her residence.

10. On or about December 9, 2015, Defendant and Falgiani visited Home Savings where they closed Sampson's safe deposit box.

11. On or about January 13, 2016, Defendant filed a motion to close the Sampson estate, which the Court granted. In the motion, Defendant stated that the Sampson estate had been opened with the intent of potentially administering a bank account. She further explained that it was later determined that the bank account had a transfer on death stipulation for the benefit of Falgiani.

12. On or about March 10, 2016, Falgiani was found dead at home. Officers of the Boardman Police Department were at the scene and found U.S. Savings Bonds on Falgiani's kitchen table. They discussed the bonds with Defendant on the telephone. She directed the police officers to give the bonds to TS, a person who assisted Defendant in her law practice and in her real estate business from time to time, who was also at the scene.

13. At the time of her death, Falgiani had in her possession, tucked into her checkbook, a handwritten note about cash and/or other funds stating:

<u>Box 1</u>	
\$110,000	
<u>Box 2</u>	
128,070	
<u>Bank</u>	
139,000	
<u>Bonds (in Box 1)</u>	
\$45,000	Issue Price
	(\$90,000=Face Value)
<hr/>	
\$422,070	
<u>+ 90,000</u>	(Dolores' Money)
\$512,070	

14. At the time of her death, in addition to other assets, Falgiani possessed in her residence between \$92,800 and \$328,000 in cash. She had obtained some of the cash from Sampson after his death.

15. Defendant stole all but \$20,000 of the cash in Falgiani's possession at the time of Falgiani's death.

16. On or about March 24, 2016, Defendant filed an application to probate the Falgiani Will with the Mahoning County Probate Court. It was assigned Case No. 2016 ES 00150. Defendant represented the Fiduciary in the administration of the estate.

17. On or about April 4, 2016, Defendant and the Fiduciary redeemed U.S. Savings Bonds valued at approximately \$193,466 and deposited the proceeds into the Falgiani estate bank account.

18. On or about May 2, 2016, Defendant sent a text to the attorney serving as Fiduciary of the Falgiani estate stating Defendant had just found the cash in the Falgiani residence. In a later text to the administrator on the same date, she reported having made the \$20,000 cash deposit and further stating, "Had to give finger prints and license and everything. !!! Lol I'm a drug dealer in the system now."

19. On or about June 7, 2016, Defendant filed the first Schedule of Assets with the Probate Court in the Estate of Dolores Falgiani. Defendant omitted the \$193,466 in U.S. Savings Bonds she and the Fiduciary had redeemed on April 4, 2016, the cash she had deposited on May 2, 2016 and the cash she had stolen.

20. On or about July 31, 2016, the Falgiani family sent a letter to the Probate Court stating its members were extremely disappointed with the handling of the estate. The letter

alleged that they had asked Defendant about the whereabouts of a 3-4 carat diamond ring, and Defendant responded that the ambulance driver might have taken it.

21. On or about August 9, 2016, Defendant filed a notice of newly discovered assets with the Probate Court identifying a life insurance policy. Defendant knew of this asset as early as May 19, 2016 when she received a check from the insurance company. The check was deposited into the estate account on June 7, 2016, the same date Defendant filed the first accounting with the Probate Court. Defendant again failed to disclose the cash she had stolen.

22. On or about August 19, 2016, the Probate Court notified the specific beneficiaries, the two charities and all other parties that a status conference would be held on October 9, 2016.

23. On or about August 23, 2016, Defendant filed a notice of newly discovered assets with the Probate Court, identifying three pieces of jewelry valued at \$1,350. Defendant again failed to disclose the cash she had stolen.

24. On or about September 29, 2016, Defendant filed a motion with the Probate Court to file an amended inventory. Defendant explained that \$20,000 in cash had not previously been reported because Defendant was awaiting the appraisal of the personal property before filing an amended inventory. Defendant again failed to disclose the cash she had stolen.

25. On or about October 3, 2016, the Probate Court held a hearing on the Falgiani Family complaint letter. Defendant stated there were sufficient funds in the estate to pay all of the specific beneficiaries in the Will. A representative of the Falgiani family said the family's concerns were satisfied. The Court accepted the amended inventory (which did not disclose the cash Defendant stole) and issued a verbal order that the Fiduciary make distributions to the specific beneficiaries. A partial distribution of funds was made to the two charities pending the

further administration of the estate, including the sale of the Falgiani and Sampson residences. Defendant, who attended the hearing, again did not disclose that she had stolen the cash.

26. On or about October 3, 2016, Defendant stated at the above hearing, "I was not informed of the bonds until last week, when we [she and the Fiduciary] sat down to file the account," However, Defendant had been informed of the bonds on the date Falgiani died and had directed the Boardman police to give them to TS. While the bonds were not included in the first inventory, the bonds were properly deposited into the estate account. Defendant again failed to disclose the cash she had stolen.

27. On or about October 13, 2016, the Probate Court issued an order consistent with his verbal order on October 3, 2016.

28. On or about November 15, 2016, Defendant filed with the Probate Court notice of newly discovered assets; namely, a life insurance policy valued at approximately \$3,000, two checks totaling approximately \$51,453.20, and a 2015 tax return refund check in the amount of approximately \$434.00. Defendant again failed to report the cash she had stolen.

29. On or about November 29, 2016, Defendant filed with the Probate Court notice of a newly discovered asset; namely, a check for \$16,665.23 representing the proceeds of a bank account the administrator had liquidated on April 12, 2016. Defendant again failed to report the cash she had stolen.

30. On or about March 21, 2017, Defendant filed a report of a newly discovered asset; namely, a check for \$3,550.82 which was the proceeds of a bank account Defendant had known about since August 15, 2016, but which was not actually closed until shortly before March 21, 2017. Defendant again failed to report the cash she had stolen.

31. On or about March 28, 2017, Defendant moved for attorney fees of \$22,195.84 and requested executor fees of \$18,130.56.

32. On or about April 20, 2017, the Probate Court awarded attorney fees to Defendant in the amount of \$20,809.47 and executor fees to the Fiduciary in the amount of \$18,559.47.

33. Defendant used the cash she stole largely to pay her personal and business credit card debt.

The Offense

34. From on or about November 20, 2015, to on or about April 20, 2017, in the Northern District of Ohio, Eastern Division, Defendant DIANE VETTORI-CARABALLO devised and intended to devise a scheme and artifice to defraud the Mahoning County Probate Court and the Charities and to obtain money and property by means of false and fraudulent pretenses, representations and promises as set forth in paragraphs 7 through 33 of the General Allegations set forth above, and for the purpose of executing and attempting to execute the scheme and artifice to defraud, placed and caused to be placed in any post office and authorized depository for mail matter, matters and things to be delivered by the Postal Service and any private and commercial interstate mail carrier according to the directions thereon, as set forth in the table below.

Date	Contents	From	To
March 24, 2016	Notices of Probate of Falgiani Will	Executor, Austintown OH	The Specific Beneficiaries and the Two Charities.
May 11, 2016	Notice of Probate of Falgiani Will	Defendant, Youngstown OH	Specific Beneficiary with Initials WC
June 9, 2016	Schedule of Assets and Inventory filed June 7, 2016	Mahoning County Probate Court, Youngstown, Ohio	Specific Beneficiaries and the Two Charities

July 31, 2016	Letter of Complaint from Falgiani Family	The Falgiani Family	Mahoning County Probate Court, Youngstown, Ohio
August 19, 2016	Notice of Status Conference for October 9, 2016	Mahoning County Probate Court, Youngstown, Ohio	All Named Parties in 2016 ES 00150
October 4, 2016	Amended Schedule of Assets and Inventory	Mahoning County Probate Court, Youngstown, Ohio	All Named Parties in 2016 ES 00150.
Early November 2016	Checks in the Amounts of Specific Bequests	Executor, Austintown OH	The Specific Beneficiaries

All in violation of Title 18, United States Code, Sections 1341 and 2.

The United States Attorney further charges:

Count 2
(Structuring - 31 U.S.C. §§ 5324(a)(3))

35. At all times material herein, Huntington National Bank, Home Savings Bank, Key Bank, PNC Bank, Seventeen Credit Union and JP Morgan Chase were all domestic financial institutions.

36. From on or about May 2, 2016, to on or about June 3, 2016, in the Northern District of Ohio, Eastern Division, Defendant DIANE VETTORI-CARABALLO, knowingly and for the purpose of evading the currency transaction reporting requirements imposed upon domestic financial institutions, structured transactions with one or more domestic financial institutions by engaging in the following financial transactions: cash deposits totaling approximately \$96,200 in the approximate amounts and at the financial institutions listed below.

DATE	HUNTINGTON NATIONAL BANK	HOME SAVINGS BANK	KEY BANK	SEVEN SEVENTEEN CREDIT UNION	JP MORGAN CHASE BANK
May 2, 2016	\$ 7,000				\$ 5,000
May 3, 2016	\$ 4,900	\$ 4,900	\$ 3,800		\$ 6,000
May 5, 2016		\$ 6,000			
May 9, 2016	\$ 4,000	\$ 6,000 \$ 2,400			\$ 5,000 \$ 1,000
May 10, 2016			\$ 3,000		
May 11, 2016	\$ 4,000				
May 18, 2016		\$ 3,000			
May 19, 2016	\$ 5,000	\$ 4,000			
May 23, 2016				\$ 8,000	
May 25, 2016	\$ 6,200				
June 2, 2016	\$ 2,000				
June 3, 2016		\$ 3,000		\$ 2,000	
SUBTOTAL	\$33,100	\$29,300	\$ 6,800	\$10,000	\$17,000

All in violation of Title 31, United States Code, Section 5324(a)(3); Title 31, Code of Federal Regulations, Section 103.11; and Title 18, United States Code, Section 2.

The United States Attorney further charges:

Count 3
(False Statement to Law Enforcement, 18 U.S.C. § 1001)

37. Paragraphs 1 through 33 of this Information are re-alleged and incorporated by reference as if fully set forth herein.

38. From in or around December 2016 to the date this Information was filed, the Federal Bureau of Investigation (“FBI”), part of the executive branch of the Government of the United States, acting in a matter within its jurisdiction, was investigating Defendant DIANE VETTORI-CARABALLO for stealing funds from the estates of Sampson and Falgiani and for structuring deposits of the stolen funds to evade the currency transaction reporting requirements imposed upon domestic financial institutions.

39. On or about March 29, 2017, in the Northern District of Ohio, Eastern Division, Defendant DIANE VETTORI-CARABALLO knowingly and willfully made materially false, fictitious, and fraudulent statements and misrepresentations to a Special Agent of the FBI in a matter within the jurisdiction of the executive branch of the Government of the United States; that is:

A. Defendant denied having “received a nickel” from the Falgiani estate, when, as she then and there well knew, she had stolen cash from the estate.

B. Defendant claimed that on or about May 1, 2016, she found \$20,000 in cash in an armoire in the front of the Falgiani residence approximately seven weeks after Falgiani died, when in truth and in fact, as she then well knew, she had found substantially more cash in the residence.

C. Defendant stated that she thought that the cash she deposited on May 3, 2016 (\$4,900 at Huntington Bank, \$3,800 at Key Bank and \$4,900 at Home Savings Bank)

came from her father's estate, explaining that her father had died very shortly prior to May 3, 2016 when, as she then and there well knew, her father had died a full year earlier and the cash she deposited was proceeds of her theft from the Falgiani estate.

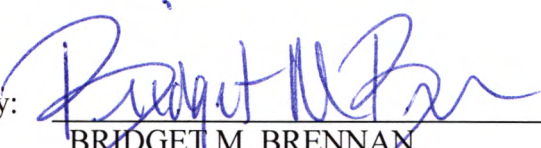
D. Defendant stated she did not particularly remember going from bank branch to bank branch depositing money, when in truth and in fact she did remember making the deposits described in paragraph 36 above.

E. In discussing the source of the cash she deposited (described above in Count 2) Defendant stated it was derived from her husband's retirement account and later stated that she did not then recall how the funds were removed from her husband's retirement account when, as she then well knew and recalled, the deposits consisted of the cash she had stolen from the Falgiani estate.

All in violation of Title 18, United States Code, Section 1001.

JUSTIN E. HERDMAN
United States Attorney

By:


BRIDGET M. BRENNAN
Chief, Criminal Division