

**Department of Justice**

U.S. Attorney's Office

Southern District of Mississippi

---

FOR IMMEDIATE RELEASE

Thursday, March 18, 2021

**School Owners Indicted for Conspiracy, Fraud, Identity Theft, and Money Laundering**

Jackson, Miss. – Nancy W. New, 67, of Jackson, Mississippi, and her son, Zachary W. New, 38, were indicted by a federal grand jury in a seventeen-count indictment charging them with conspiracy to defraud, wire fraud, aggravated identity theft and money laundering, announced Acting United States Attorney Darren J. LaMarca; Michelle A. Sutphin, Special Agent-in-Charge, Federal Bureau of Investigation in Mississippi; Derrick Jackson, Special Agent in Charge, U.S. Department of Health and Human Services, Office of Inspector General; Anthony Mohatt, Acting Special Agent-in-Charge, U.S. Department of Agriculture, Office of Inspector General; Rafiq Ahmad, Special Agent-in-Charge, U.S. Department of Labor, Office of Inspector General; and Shad White, Auditor, Mississippi Office of the State Auditor.

According to the indictment, Nancy New and Zachary New submitted fraudulent reimbursement claims for the salaries of teachers at New Summit School in Jackson to the Mississippi Department of Education under the Mississippi Adequate Education Program. As a result, New Learning Resources, Inc., a for-profit company owned by Nancy New and Zachary New, fraudulently obtained in excess of two million dollars (\$2,000,000) to which it was not entitled. Nancy W. New and Zachary W. New personally benefited from this scheme to defraud.

As set forth in the indictment, these fraudulent reimbursement claims included:

1. false claims that individuals who no longer worked at New Summit School had continued to work there as teachers;
2. false claims that individuals who were working at New Summit School in another capacity were working as teachers;
3. a false claim that at least one individual who had never worked at New Summit School worked as a teacher there;
4. false claims that the experience level and certification level of teachers at New Summit School were higher than they actually were, resulting in reimbursement at an artificially higher salary level;
5. false claims that students who no longer attended New Summit School continued to attend school there; and
6. false claims that individuals who had never attended New Summit School in Jackson were full-time students attending school at New Summit School.

The indictment alleges that, in one instance, Nancy New and Zachary New laundered approximately \$250,000 of the fraudulently obtained reimbursement money through different bank accounts they controlled before finally using the proceeds to purchase a house.

Nancy New and Zachary New had their initial court appearance before United States Magistrate Judge F. Keith Ball in Jackson today at 1:00 p.m. The News are scheduled for trial in May before United States District Judge Carlton W. Reeves in Jackson. If convicted, they each face up to 210 years in federal prison and up to a \$4,000,000 in fines.

The case was investigated by agents with the FBI Jackson Division; U.S. Department of Health and Human Services, Office of Inspector General; U.S. Department of Agriculture, Office of Inspector General; U.S. Department of Labor, Office of Inspector General; and the Mississippi Office of the State Auditor. The case is being prosecuted by Assistant United States Attorney Dave Fulcher.

The public is reminded that an indictment is merely a charge and should not be considered as evidence of guilt. Every defendant is presumed innocent until proven guilty in a court of law.