

# Jackie Lacey

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NEWS RELEASE

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## Two Charged With Stealing \$5.4 Million from LAUSD Through False Invoices

Two men have been charged with bilking \$5.4 million from the Los Angeles Unified School District by submitting fake invoices for irrigation clocks, the Los Angeles County District Attorney's Office announced.

Karl Hauser (dob 5/23/43) and John Paul Chapman (dob 11/26/41) were each charged with three counts of grand theft of personal property. The complaint also includes special allegations of embezzlement of public funds, excessive taking over \$3.2 million and aggravated white collar crime over \$500,000.

If convicted, Hauser and Chapman each face up to 13 years and four months in state prison.

Hauser was the president of Plumbing and Industrial Supply, Inc., a company that was awarded numerous LAUSD contracts, and Chapman was the office manager at the company's Vernon branch.

Prosecutors said more than 200 fake company invoices for irrigation clocks were submitted between 2002 and 2006. A LAUSD employee, who has since died, was compensated for his role in the scheme by having unlimited use of the company's credit card and having items purchased on his behalf for his personal businesses, prosecutors said.

Chapman pleaded not guilty to the charges today and was scheduled to return to court June 3. Hauser will be arraigned at a later date.

The case was investigated by the District Attorney's Bureau of Investigation.

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### **About the Los Angeles County District Attorney's Office**

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to seeking justice for victims of crime and enhancing public safety. Last year, the [Los Angeles County District Attorney's Office](#) prosecuted more than 73,000 felony defendants and 113,000 misdemeanor defendants.