

ORANGE COUNTY DISTRICT ATTORNEY
NEWS RELEASE
TONY RACKAUCKAS, *District Attorney*

Susan Kang Schroeder, *Chief of Staff*
Office: 714-347-8408
Cell: 714-292-2718

Michelle Van Der Linden, *Spokesperson*
Office: 714-347-8405
Cell: 714-323-4486



FOR IMMEDIATE RELEASE

Case # 16NF1108
17NF0497
17NF0498

Date: March 10, 2017

**FORMER CITY OF PLACENTIA FINANCE SERVICES MANAGER
SENTENCED TO 25 YEARS IN PRISON FOR EMBEZZLING \$5.2 MILLION**

***Two co-defendants charged with embezzling \$1.5 million and \$2.3 million respectively**

SANTA ANA, Calif. – The former Finance Services Manager for the City of Placentia (Placentia) was sentenced today to 25 years in state prison for embezzling approximately \$5.2 million from the city. Michael Minh Nguyen, 34, Irvine, pleaded guilty to 36 felony counts of misappropriation of public funds, 67 felony counts of money laundering, two felony counts of falsifying records, and one felony count of making a non-sufficient funds check, with sentencing enhancements for aggravated white collar crime over \$500,000 and property loss over \$3.2 million. In addition to prison, Nguyen was ordered to pay \$2,649,155.57 in restitution to Placentia and was fined \$10,321,471.

In Case # 17NF0497, Herbert Norris Trotter Jr., 45, Beverly Hills, was charged in a felony arrest warrant on Feb. 23, 2017, with 14 felony counts of misappropriation of public funds and 14 felony counts of money laundering, with sentencing enhancement allegations for theft over \$100,000, aggravated white collar crime over \$500,000, property damage over \$1.3 million, and money laundering exceeding \$1 million. If convicted, Trotter faces a maximum sentence of 37 years and four months in state prison. He is wanted by law enforcement.

In Case # 17NF0498, Michael Todd McDonald, 40, Henderson, Nevada, was charged in a felony arrest warrant on Feb. 23, 2017, with 46 felony counts of money laundering and 15 felony counts of misappropriation of public funds, with sentencing enhancement allegations for theft over \$100,000, aggravated white collar crime over \$500,000, property damage over \$1.3 million, and money laundering exceeding \$150,000 but less than \$1 million. If convicted, the defendant faces a maximum sentence of 58 years and eight months in state prison. McDonald is wanted by law enforcement.

"I am extremely proud of the quality work produced by our office and the outcome of this case," stated District Attorney Tony Rackauckas. "Today's conviction sends a strong message to all stewards of the tax payers dollar; if you abuse the power entrusted in you and steal from the people in Orange County, our office will work long, hard, and fast to uncover the truth and prosecute those involved to the fullest extent of the law."

Circumstances of the Case

Nguyen was hired on April 21, 2008, by Placentia as their Finance Services Manager, which allowed him access to city accounts. He was responsible for wire transfers and keeping financial city ledgers.

Between Jan. 27, 2014, and April 12, 2016, Nguyen made 36 wire transfers from a Placentia account to several other accounts personally belonging to him and other recipients. In early 2016, the defendant wire transferred \$2 million from the

Placentia account in a period of four months. On April 11, 2016, Nguyen wired over \$300,000 to a personal account, and the next day, on April 12, 2016, he wired another \$1.5 million. Shortly thereafter, with the help of the FBI Cyber Task Force, the \$1.5 million that was successfully transferred was frozen and reverted back to Placentia. Nguyen concealed the embezzlement by altering the financial ledgers. The defendant embezzled approximately \$5.2 million in the above time frame by depositing the money into his own personal accounts.

Between Aug. 5, 2014, and March 9, 2016, Trotter is accused of conspiring with and aiding and abetting Nguyen in misappropriating \$1,533,040 by engaging in a scheme to obtain business funding for Nguyen. Between May 15, 2015, and April 4, 2016, the defendant is accused of laundering \$1,208,465 by transferring funds from his business The Talaton Group into his and his family members' personal accounts for personal use.

Between Jan. 22, 2016, and March 16, 2016, McDonald is accused of conspiring with and aiding and abetting Nguyen in misappropriating \$2,347,000 by engaging in a Las Vegas gambling venture with Nguyen. Between Jan. 22, 2016, and April 12, 2016, the defendant is accused of laundering \$748,675 by transferring funds from his accounts for personal use including gambling.

On April 12, 2016, Placentia discovered the unauthorized wire transfers to Nguyen's accounts and contacted the Orange County District Attorney's Office (OCDA) to report the fraud. Nguyen was arrested April 13, 2016, by the OCDA Bureau of Investigations, with the investigative assistance of the OCDA Public Integrity Team. The Court later issued a temporary restraining order on the assets held by the OCDA that were seized from the defendant.

At the pre-trial hearing today, City Administrator Damien R. Arrula read a victim impact statement on behalf of Placentia, who was notified of the plea pursuant to Marsy's Law. Arrula stated in part, "The tax dollars we receive are from our residents who take pride in our small community and work hard to pay their taxes. The average household income of our 53,000 residents is \$65,000 per year. The expectation is these funds are going to pay for police officers and firefighters, to maintain parks and pave our local roads. I say all this to point out this is not a victimless crime."

The impact of the crimes on Placentia and its residents was described by Arrula when he said, "Many of our operations and improvement projects have been put on hold or delayed because of his crimes. He depleted our reserves. He depleted our emergency funds. One key example is that we have not been able to purchase six new Police Department vehicles, which would aid in responding to emergencies for those in need. We have delayed much needed improvements to our senior center, police station and parks including a children's playground that has not been updated in 20 years."

Arrula continued to state in part, "Perhaps, what pains me the most is that you Mr. Nguyen grew up here and spent most of your professional career in this area. This was your home. This was our home. And, you took a torch to it. You were once a trusted colleague, a friend, a partner in our efforts to improve our community and the health and wellbeing of those who live in it. And you blew it all away."

Senior Deputy District Attorney Marc Labreche of the Major Fraud Unit is prosecuting these cases.

###