

STATE OF MARYLAND

* IN THE CIRCUIT COURT

v.

* OF MARYLAND FOR

CATHERINE E. PUGH

* ANNE ARUNDEL COUNTY

* CASE NO. CO2CR19-2849

CRIMINAL INFORMATION

The Maryland State Prosecutor Charlton Howard, by and through Kelly B. Madigan, Deputy State Prosecutor, and Sarah R. David, Senior Assistant State Prosecutor, having considered the said case, and being duly authorized by law, now presents that at Anne Arundel County, pursuant to a common scheme and plan to conceal the nature and extent of her business, Healthy Holly LLC, **CATHERINE E. PUGH** committed the offenses specified herein:

1. At all times pertinent, **CATHERINE E. PUGH** (“**PUGH**”) was a duly elected State Senator in the Maryland General Assembly, representing the 40th District.
2. From on or around 2008 through and including 2015, **PUGH** served as a member of the Senate’s Finance Committee, a committee which considered issues related to health care facilities, public health, as well as, property, casualty, life and health insurance.
3. From on or around 2013 through and including 2016, **PUGH** served as the Chairwoman of the Senate’s Health Subcommittee, the purpose of which was to study and consider issues related to health and to health insurance.
4. At all times pertinent, **PUGH**, as a Maryland State Senator, was required by the *State Government Article* §15-602 to file a financial disclosure statement with the Maryland State Ethics Commission, under oath or affirmation, disclosing her financial affairs for the prior calendar year, including:

SCHEDULE B - All interests in any corporation, partnership, limited liability partnership or limited liability company held during the reporting period, whether or not the entity did business with the State, and

SCHEDULE H - The name and address of any places of employment or business entities wholly or partially owned, from which income was earned during the reporting period whether or not the entity did business with the State.

5. From on or about January 1997, **PUGH** became a sole or partial owner of a business entity registered in Maryland under the name Catherine E. Pugh and Company, Incorporated.
6. From on or about December 2001, **PUGH** became a sole or partial owner of a business entity registered in Maryland under the name P.C. LLC.
7. From on or about January 2011, through and including the present, **PUGH** was a sole or partial owner of a business entity registered in Maryland under the name Healthy Holly LLC.
8. On or about September 5, 2012, **PUGH** opened a business checking account, account # *(redacted)*, held at The Harbor Bank of Maryland ("Harbor Bank"), in the name of Healthy Holly LLC. **PUGH** was the sole signer on the account and the ownership documents for the checking account contained **PUGH**'s personally identifying information, as well as, her signature. The stated purpose of Healthy Holly LLC as reflected on the bank account ownership records was "AUTHOR FOR BOOKS-STORY BOOK FOR CHILDREN".
9. Also on or about September 5, 2012, **PUGH** signed a Limited Liability Company Authorization Resolution for Healthy Holly LLC with Harbor Bank stating that "I

CATHERINE E. PUGH, certify that I am a Manager or Designated Member of the above named Limited Liability Company organized under the laws of Maryland, Federal Employer I.D. Number 27-4742386 engaged in business under the trade name of HEALTHY HOLLY LLC, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of all members of the Limited Liability Company or the person or persons designated by the members of the Limited Liability Company to manage the Limited Liability Company as provided in the articles of organization or an operating agreement, duly and properly called and held on 8-1-12 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

10. From on or about October 2013, through and including April 2019, **PUGH** was a partial owner of a business entity registered in Maryland under the name 2 Chic Boutique.
11. During calendar year 2012, Healthy Holly LLC earned at least \$108,000 in income through the sales of **PUGH'S** self-published Healthy Holly children's book series, including \$100,000 from the University of Maryland Medical System, \$7,500 from the Maryland Automobile Insurance Fund and \$500 from Riverside Health of Maryland, Inc.
12. In her 2012 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, **PUGH** disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co., but failed to disclose the interest she held in Healthy Holly LLC. Under Schedule H – Employment/Business Ownership, **PUGH** again disclosed PC/LLC T/A Catherine E. Pugh & Co., but failed to disclose Healthy Holly LLC.

13. During calendar year 2013, Healthy Holly LLC earned at least \$8,128 in income through the sales of **PUGH'S** self-published Healthy Holly children's book series, including \$4,448 from the Maryland Automobile Insurance Fund, which was passed through the Associated Black Charities.
14. In her 2013 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, **PUGH** disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co., but failed to disclose the interest she held in Healthy Holly LLC or the interest she held in 2 Chic Boutique LLC. Under Schedule H – Employment/Business Ownership, **PUGH** again disclosed PC/LLC T/A Catherine E. Pugh & Co., but failed to disclose Healthy Holly LLC.
15. During calendar year 2014, Healthy Holly LLC earned at least \$6,500 in income through the sales of **PUGH'S** self-published Healthy Holly children's book series, including \$6,500 from CareFirst Blue Cross Blue Shield, which was passed through the Associated Black Charities.
16. In her 2014 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, **PUGH** disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co. and in 2 Chic Boutique LLC, but failed to disclose the interest she held in Healthy Holly LLC. Under Schedule H – Employment/Business Ownership, **PUGH** again disclosed PC/LLC T/A Catherine E. Pugh & Co., as well as, 2 Chic Boutique LLC, but failed to disclose Healthy Holly LLC.

17. During calendar year 2015, Healthy Holly LLC earned at least \$100,000 in income through the sales of **PUGH'S** self-published Healthy Holly children's book series, including \$100,000 from the University of Maryland Medical System.
18. In her 2015 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, **PUGH** disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co. and in 2 Chic Boutique LLC, but failed to disclose the interest she held in Healthy Holly LLC. Under Schedule H – Employment/Business Ownership, **PUGH** again disclosed PC/LLC T/A Catherine E. Pugh & Co., as well as, 2 Chic Boutique LLC, but failed to disclose Healthy Holly LLC.
19. During calendar year 2016, Healthy Holly LLC earned at least \$345,000 in income through the sales of **PUGH'S** self-published Healthy Holly children's book series, including \$100,000 from the University of Maryland Medical System and \$50,000 from Kaiser Permanente.
20. In her 2016 financial disclosure statement filed with the Maryland State Ethics Commission, under Schedule B – Interests in Corporations and Partnerships, **PUGH** disclosed her interest in PC/LLC T/A Catherine E. Pugh & Co. and in 2 Chic Boutique LLC, but failed to disclose the interest she held in Healthy Holly LLC. Under Schedule H – Employment/Business Ownership, **PUGH** again disclosed PC/LLC T/A Catherine E. Pugh & Co., as well as, 2 Chic Boutique LLC, but failed to disclose Healthy Holly LLC.

COUNT I

Perjury, 2016 Financial Disclosure Statement Form 19 - Legislators

From on or about January 3, 2017 in Anne Arundel County, Maryland, Catherine E. **PUGH** did willfully and falsely make affirmation as to material facts in a Financial Disclosure Statement Form 19 – Legislators required by the *State Government Article § 15-602* to wit: did complete and submit the Financial Disclosure Form covering calendar year 2016, the contents of which were affirmed by executing the following statement thereon and the Financial Disclosure Form could not have been submitted without affirming the following affirmation “I have read and I understand that by submission of this electronically filed financial disclosure statement, I hereby swear or affirm that the information contained in it is complete and accurate to the best of my knowledge and belief”. **PUGH** well-knowing that the facts sworn to were materially false and incomplete in that:

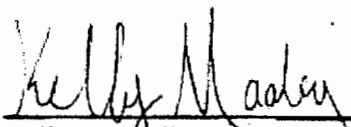
a. Under Schedule B – Interests in Corporations and Partnerships, **PUGH** falsely stated that during calendar year 2016 the only interest she held in any in any corporation, partnership, limited liability partnership or limited liability company corporation, whether or not the entity did business with the State, was in PC/LLC T/A Catherine E. Pugh & Co, and in 2 Chic Boutique LLC, despite well-knowing that she was a sole or partial owner of Healthy Holly, LLC; and


b. Under Schedule H – Employment/Business Ownership, **PUGH** falsely stated that during calendar year 2016, the only business entity, wholly or partially owned by her, from which income was earned was PC/LLC T/A Catherine E. Pugh & Co, and 2 Chic Boutique LLC, despite well-knowing that Healthy Holly LLC, a business entity that she was a sole or partial

owner of, earned income, in violation of §9-101 of the *Criminal Law Article*, Annotated Code of Maryland, and against the peace, government and dignity of the State.

CR 9-101 Perjury - 10 years
CJIS Code 1-0307

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