



## Royce Lamar Smith Sentenced by U.S. District Judge Melinda Harmon on Conspiracy to Commit Wire Fraud Charges

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Submitted at 7:07 AM August 28, 2011

The Federal Bureau of Investigation (FBI) on August 26, 2011 released the following:

**“First of Four Convicted for Role in Wire Fraud Conspiracy Sentenced to Federal Prison**

HOUSTON— Royce Lamar Smith, 38, has been sentenced prison for conspiring to commit wire fraud, United States Attorney José Angel Moreno announced today.

Smith, of Houston, who pleaded guilty to the offense in April 2011, was sentenced by U.S. District Judge Melinda Harmon today to 60 months in federal prison without parole. While the calculated U.S. Sentencing Guideline range recommended a sentence of 27-33 months imprisonment for the conviction, the court increased the prison term citing the seriousness of the offense committed as well as the fact that the offense was committed while Smith was on shock probation for a theft offense that occurred in Harris County in 2003-2004. Judge Harmon further cited the impact on the victimized insurance company which suffered an extraordinary loss because of this criminal conduct. The

60-month-term will be served consecutive to any sentence Smith may receive if his state probationary term is revoked.

Additionally, the court has ordered Smith serve a three-year-term of supervised release and to pay restitution to the victim insurance company in the amount of \$168,474.91.

The investigation conducted by the FBI Houston Field Office established that beginning in 2005, Carla Jean Johnson worked as controller of Columbia Lloyd’s, a small Houston insurance company. Beginning in at least July 2007 through July 11, 2009, Johnson began sending money totaling more than a million dollars from the company’s account to her friends and at least one co-worker, Nettie Smither, who would then return some of the money to Johnson.

On April 21, 2011, Smith pleaded guilty to a one count wire fraud admitting he received insurance company funds from Carla Jean Johnson, some of which he returned to Johnson. The fraud was discovered July 11, 2009, when codefendant Donnie Smith and Johnson tried to cash a Columbia Lloyd’s check in the amount of \$180,000 made payable to Donnie Smith at a local Wachovia branch. Johnson was fired from her position as

controller July 13, 2009, when company officials confirmed to Wachovia that the check was fraudulently issued.

Royce Smith has been in federal custody since his arrest January 2011 and will remain in custody serving his sentence.

Johnson, Donnie Smith and Smither have all been convicted for their roles in this scheme. Donnie Smith is set to be sentenced Sept. 2, while Johnson is set for Sept. 9. Smither will be sentenced on Dec. 2.

The convictions are the result of an investigation conducted by the Houston Division of the FBI. Assistant U.S. Attorney Martha Minnis is prosecuting the case.”

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#).

Douglas McNabb and other members of the U.S. law firm practice and write extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN List Removal.

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