



Written by [Michael Tennant](#) on November 21, 2019

## Former Baltimore Mayor Indicted for Fraudulent Book Sales Scheme

Federal prosecutors have secured an 11-count indictment against former Baltimore Mayor Catherine Pugh (shown) on charges that she fraudulently obtained hundreds of thousands of dollars selling a self-published children's book series and then used her ill-gotten gains to fund her mayoral campaign and to enrich herself without paying additional taxes.



According to the grand-jury indictment released Wednesday, Pugh, a Democrat who was elected in 2016 and resigned in May, authored a series of "Healthy Holly" books to promote healthful habits among children, selling \$800,000 worth to Baltimore-area businesses and nonprofits. Many of these institutions did business with the city, and Pugh sat on the board of directors of some of the nonprofits.

"Though her customers ordered more than 100,000 copies of the books, the indictment says Pugh failed to print thousands of copies, double-sold others and took some to use for self-promotion. Pugh, 69, used the profits to buy a house, pay down debt, and make illegal straw donations to her campaign, prosecutors allege," reported the [Baltimore Sun](#), which brought to light many of the allegations against Pugh last spring.

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On top of that, claims the indictment, Pugh failed to report the extra income she received from her book sales, vastly lowering her tax liability; doing so saved her nearly \$100,000 in 2016 alone.

By far the largest purchaser of the books was the University of Maryland Medical System (UMMS). According to the *Sun*, "Pugh collected \$500,000 over several years selling the books in a no-bid deal with the medical system, where she was on the board of directors."

Pugh claimed UMMS bought the books to distribute to city schools. The books, however, turned out to be so full of misspellings and grammatical errors that the schools couldn't use them for instruction, opting instead to store them in warehouses. Pugh and her longtime aide Gary Brown, Jr., arranged for thousands of the books to be removed from the warehouses and stored in her office, her house, and various other locations, where they could then be resold, prosecutors say.

Entities doing business with the city — among them Kaiser Permanente, Associated Black Charities, and Grant Capital Management — also snatched up their share of Pugh's books, contrary to her initial insistence that she'd only sold to UMMS. (Pugh's "side of the story," the *Sun* says, "evolved.") While prosecutors wouldn't comment on whether there had been any *quid pro quos* involved in these



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purchases, it's worth noting that Pugh voted in favor of a \$48-million city health-insurance contract with Kaiser Permanente in 2017.

What was Pugh doing with her profits from these sales?

For one thing, she was using them to secretly fund her mayoral campaign, according to the indictment. Brown — whom Pugh retained as her aide even after he was convicted of funneling cash to her campaign through relatives — cashed the checks for the book sales and then deposited them in the campaign account, claiming they were contributions (from fictitious people). Although Pugh could have legally contributed as much as she wanted to her own campaign, she chose to go the illegal straw-donor route to avoid the appearance of desperation, allege prosecutors.

Meanwhile, says the indictment, Brown hid the fact that he was getting Healthy Holly checks by creating a fake business and treating the checks as payments for services rendered to Pugh's publishing business, which he also ran while on city time. Then he allegedly used his phony ledger entries to help Pugh avoid income taxes by claiming the payments were deductible business expenses.

Prosecutors further claim that Pugh used some of her Healthy Holly income to purchase and renovate a house.

Brown — who, as a part-time tax preparer, is also alleged to have submitted false returns for all his clients, netting them refunds totaling over \$100,000 — pleaded guilty to four counts of fraud, tax evasion, and conspiracy.

Roslyn Wedington, [a convicted thief who served as executive director of the Maryland Center for Adult Training](#) (on whose board both Pugh and Brown served), also pleaded guilty to tax evasion and conspiracy. Brown is alleged to have assisted Wedington in concealing her salary from the government.

If convicted, Pugh could face as many as 175 years in prison and the loss of her house.

Photo of Catherine Pugh: [Bruce Emmerling](#)



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