

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

<b>UNITED STATES OF AMERICA</b>	*	<b>CRIMINAL NO. 13-123</b>
v.	*	<b>SECTION: "L"</b>
<b>ZUHAIR HAMED</b>	*	

\* \* \*

**FACTUAL BASIS**

Should this matter have proceeded to trial, the Government would have proven, through the introduction of competent testimony and admissible evidence, the following facts, beyond a reasonable doubt, to support the allegations in the Bill of Information now pending against the defendant, **ZUHAIR HAMED** ("**ZUHAIR HAMED**" or the "defendant").

The defendant, **ZUHAIR HAMED**, has agreed to plead guilty as charged to the one-count Superseding Bill of Information charging him with conspiracy to commit bribery of a local government official in connection with a program receiving federal funds, in violation of Title 18, United States Code, Section 371.

Evidence, including admissible documents and testimony, would be introduced to prove that from in or about January 2010 through the present, **JIHAD HAMAD**, was the operator of a gas station and convenience store called Harahan Cheap Smokes (HCS), located at 6492 Jefferson Highway in the City of Harahan, Louisiana. On or about March 19, 2010, a low-volume alcoholic beverage permit was issued to HCS. A low-volume alcoholic beverage permit allowed the sale of alcoholic beverages with an alcohol content of 6% or less.

Separate City and State permits were necessary to authorize the sale of alcoholic beverages with an alcohol content of 6% or more (i.e., wine and hard liquor) at HCS. As a practical matter,

the State Alcohol and Tobacco Commission would not grant an application for a State permit unless and until a City permit was issued.

From the time HCS was issued a low-volume permit, JIHAD HAMAD, was interested in obtaining a high-volume permit to authorize the sale of wine and hard liquor at HCS.

St. Paul's United Methodist Church was located at 6500 Jefferson Highway, Harahan, Louisiana. That location was less than 300 feet from HCS. Louisiana Revised Statutes Title 26, Section 281A provides that "No permit shall be granted under this Chapter in contravention of any municipal ordinance adopted pursuant to the zoning laws of the state." Louisiana Revised Statutes Title 26, Section 281C(1)(a) provides that "When prohibited by municipal or parish ordinance, no permit shall be granted for any premises situated within three hundred feet or less, as fixed by the ordinance . . . of a building used exclusively as a church . . ." City Ordinance Sec. 6-73(b) of Ordinances of the City of Harahan provides "No permit shall be granted under this article for any premises situated within 300 feet or less distance of a building occupied exclusively as a church . . . [H]owever, the sale of beverages of low alcoholic content in packages only, to be taken off the premises, shall be permitted from premises located within 300 feet or less of a building occupied exclusively as a church. . ."

The issuance of a City permit for the sale of wine and hard liquor requires, among other things, a formal statement of no objection from the Chief of Police for the City of Harahan. The current Chief of Police of the City of Harahan ("Chief of Police") took office on January 1, 2011.

On or about March 17, 2011, the application of HCS for a City high-volume permit authorizing the sale of wine and hard liquor at HCS appeared on the agenda of the Harahan City Council and the matter was discussed. The Chief of Police appeared before the City Council and publicly stated that he opposed the issuance of a City liquor license to HCS because it was located

within 300 feet of St. Paul's United Methodist Church. The application for the high-volume permit was denied.

Thereafter, JIHAD HAMAD had repeated discussions with the Chief of Police concerning the application of HCS for a high-volume permit authorizing the sale of wine and hard liquor. JIHAD HAMAD stated that he had obtained a letter from St. Paul's United Methodist Church indicating it had no opposition to the granting of HCS's application for a high-volume permit. The Chief of Police repeatedly stated that he would object to the application even if the church in question had no objection, as a City ordinance prohibited it.

On or about March 26, 2012, JIHAD HAMAD told the Chief of Police that his father was a very wealthy man who would be willing to make a political contribution to the campaign of the Chief of Police in exchange for approval of a high-volume permit for HCS. JIHAD HAMAD stated that was how he and his father got things done in New Orleans and his father had given a lot of political contributions. The Chief of Police stated to JIHAD HAMAD that he believed he knew JIHAD HAMAD's father, and believed him to be **ZUHAIR HAMED**, who had owned a convenience store on Martin Luther King Boulevard in New Orleans. JIHAD HAMAD agreed that **ZUHAIR HAMED**, indeed, was his father. In fact, the two defendants are not related.

The Chief of Police also stated to JIHAD HAMAD that he was not running for office and did not need or want campaign contributions. The Chief of Police considered the offer to provide campaign contributions to him in return for his support of the issuance of a City high-volume alcohol permit to HCS, as an attempt to bribe him. Therefore, he reported the matter to the Federal Bureau of Investigation, and an investigation into the matter was initiated. On or about March 27, 2012, the day following JIHAD HAMAD's statement to the Chief of Police that his father was willing to make campaign contributions in exchange for approval of the application for

the high-volume permit of HCS, **ZUHAIR HAMED** called the Chief of Police but did not reach him and did not leave a message. The following day, March 28, 2012, the Chief of Police received a cellular telephone call from a number utilized by **ZUHAIR HAMED**. In that voice message, **ZUHAIR HAMED** identified himself as “your old friend from Martin Luther King and South Claiborne.” He congratulated the Chief of Police on his election to office. He left his telephone number.

On or about May 4, 2012, **ZUHAIR HAMED** and the Chief of Police exchanged text messages arranging and confirming a meeting between **ZUHAIR HAMED** and the Chief of Police.

On May 4, 2012, **ZUHAIR HAMED** and the Chief of Police met at the office of the Chief of Police located at the Harahan Police Department. The meeting was covertly recorded in audio and video without the knowledge of **ZUHAIR HAMED**.

During that meeting, **ZUHAIR HAMED** explained that two years ago, he had bought “Cheap Smokes”, including the business and the building. In fact, **ZUHAIR HAMED** had no ownership interest in either the business or the building out of which HCS operated. **ZUHAIR HAMED** explained that the Harahan City Council had approved a license allowing the sale of beer at the store. **ZUHAIR HAMED** stated that he understood that if there were no problems with regard to the operation of HCS in a period of six months, he could reapply to the City of Harahan for a high-volume license which would allow him to sell packaged wine and liquor. He stated that this understanding was gained under the tenure of the police chief who served prior to the current Chief of Police’s election. **ZUHAIR HAMED** stated that the business was struggling because it could not sell wine. He further stated that the nearby church did not object because “I do whatever I can for the church.”

Calling the Chief of Police “my friend,” **ZUHAIR HAMED** promised to be there for him. **ZUHAIR HAMED** stated that he had held a fund raising event for one Jefferson Parish official and had raised \$27,000 for that official's campaign. The Chief of Police stated that he was not running for office and did not need campaign contributions. At the conclusion of the meeting, the two agreed to meet again.

On May 16, 2012, **ZUHAIR HAMED** and the Chief of Police met at the Harahan Police Department. Again, the meeting was covertly recorded in both audio and video.

**ZUHAIR HAMED** pointed out that the following day, May 17, 2012, was the last time the Harahan City Council would meet during the month of May and he wanted to get the application for the high-volume permit on the following day's City Council agenda so that it could be approved. He stated, “... We talked to the Mayor and he didn't object, the Council does not object...” He also stated that a convenience store relies upon having 60% of its revenue from the sale of alcohol and without the high-volume permit, the business was struggling. He also stated that **JIHAD HAMAD** was his nephew, his “favorite nephew.” He again stated that he had obtained a letter from St. Paul's Church indicating that the church had no objection to the issuance of a high-volume permit, because according to **ZUHAIR HAMAD**, “they like us being there, we keeping it clean...”

On or about May 22, 2012, **ZUHAIR HAMED** and the Chief of Police exchanged text messages arranging and confirming to meet for lunch that date. On or about May 22, 2012, **ZUHAIR HAMED** and the Chief of Police met at a restaurant and discussed the subject of the application of HCS for a City high-volume permit. The meeting was covertly recorded in audio and video.

**ZUHAIR HAMED** represented that he had paid \$600,000 to purchase the business and

the building where HCS was located. He stated that the prior owner went out of business because he was making only \$200 to \$300 per day from the operation of the store.

**ZUHAIR HAMED** asked the Chief of Police to tell him whether the Chief of Police wanted a money order in blank or a business check to his campaign. In furtherance of the investigation, and assuming the role of a corrupt political official who was willing to accept things of value in exchange for official acts, the Chief of Police replied, definitely not a check. The Chief of Police said a check will associate your name with the liquor license. **ZUHAIR HAMED** then offered to provide cash in an envelope. He said, you tell me [what you want] and I'll make it happen tomorrow. He offered to provide anything [the Chief of Police] needed for his police department.

**ZUHAIR HAMED** repeated that he could provide cash in an envelope, or a blank money order. The Chief of Police stated, "That'll work." **ZUHAIR HAMED** stated, "Now I have the idea." The Chief of Police stated, "Think about it." **ZUHAIR HAMED** stated that he had given the church donations totaling \$1,000 in order and subsequently obtained letters stating it did not object to the two alcoholic beverage permits being issued to HCS by the City of Harahan.

**ZUHAIR HAMED** said sales would increase by \$5,000 per month [at HCS] if it were granted a high-volume permit. He represented that the availability of liquor and wine would draw customers into the store, which would increase the profits on other products sold at the store. **ZUHAIR HAMED** said his predecessor at HCS, who did not have a permit to sell liquor at the store, almost went out of business.

At the conclusion of the meeting, **ZUHAIR HAMED** paid the check for the lunch and the two agreed to meet again.

There followed a series of meetings between **ZUHAIR HAMED** and the Chief of Police on the following dates: May 22, 2012, May 25, 2012, June 15, 2012, and June 19, 2012, each of which was recorded without the knowledge of **ZUHAIR HAMED**. Another meeting occurred on June 21, 2012. The first portion of the meeting was attended by **ZUHAIR HAMED** and the Chief of Police; the second portion included **ZUHAIR HAMED**, JIHAD HAMAD and the Chief of Police. The meeting was recorded without the knowledge of **ZUHAIR HAMED** and JIHAD HAMAD.

At the meeting on May 25, 2012, the Chief of Police stated that he wanted to be paid the sum of "20 grand" in return for official acts which would lead to the approval of the City of Harahan high-volume permit for HCS. The Chief of Police stated, it's a big chance I'm taking here; it's definitely illegal. **ZUHAIR HAMED** replied, "Right." The Chief of Police stated, I'm starting out at "20 grand" and if you think that's not fair, you let me know. **ZUHAIR HAMED** replied, I had in mind 2,000 dollars. The Chief of Police said, you said you would make "15" a month [at HCS with a City of Harahan high-volume permit]. After discussion, the Chief of Police offered to accept the sum of \$7,000, and **ZUHAIR HAMED** agreed to pay "two" up front and then more down. **ZUHAIR HAMED** stated that he would pay more than "ten" over the course of a year. The Chief of Police then stated, I don't need money for my campaign, and I don't want a check. **ZUHAIR HAMED** stated, it's all money coming out of my pocket. If you want cash, I'll give you cash. He stated he did not care in what form he made the payments to the Chief of Police.

On June 19, 2012, **ZUHAIR HAMED** gave the Chief of Police a check drawn on the account of Bywater Grocery LLC, dba Wagner's Meat in the amount of \$2,000. Bywater Grocery was owned by a family member of **ZUHAIR HAMED**. The name of the payee on the check was

not filled in at the time **ZUHAIR HAMED** gave the check to Chief Dickinson. **ZUHAIR HAMED** told the Chief of Police that he could make the check payable to whomever the Chief of Police wished, for example, to a family member. The Chief of Police stated that he had not wanted payments made by check since the check would associate **ZUHAIR HAMED** with the Chief of Police. **ZUHAIR HAMED** stated, it's a donation from me. I'm not the owner of HCS. He stated that he had placed ownership of HCS on the public records in the name of JIHAD HAMAD, his "nephew" and "I'm **ZUHAIR**." He offered to put the notation "loan" on the check. **ZUHAIR HAMED** stated, I do campaign money every year.

Shortly before leaving the Chief of Police and after having provided the \$2,000 check to him, **ZUHAIR HAMED** stated to the Chief of Police, make sure [the application of HCS for a high-volume permit is] on the [June 21 Harahan City Council] agenda. Several references were made during the meeting concerning the need for the two men to meet again before the June 21 meeting of the Harahan City Council. The Chief of Police stated to **ZUHAIR HAMED**, no offense to you, but I can't exactly sue you if I don't get [the money].

A special agent of the FBI would testify that following the June 19, 2012 meeting, the Chief of Police turned into evidence the \$2,000 check he received from **ZUHAIR HAMED**.

On June 21, 2012, another meeting took place at a restaurant. During the first part of the meeting, **ZUHAIR HAMED** provided \$1,000 in cash to the Chief of Police, and agreed to make additional payments as follows: \$1,000 by the first of July and \$1,000 by the middle of July. After he provided the cash to the Chief of Police, **ZUHAIR HAMED** stated that JIHAD HAMAD was outside the restaurant waiting and that **ZUHAIR HAMED** wanted Chief Dickinson to meet with him. **ZUHAIR HAMED** stated that he did not want JIHAD HAMAD to know what he was doing with the Chief of Police and did not want **ZUHAIR HAMED's** son to know. He asked the



Chief of Police to meet with JIHAD HAMAD briefly. **ZUHAIR HAMED** stated that JIHAD HAMAD just wanted to be confidence [sic].

Thereafter, JIHAD HAMAD joined the meeting with **ZUHAIR HAMED** and the Chief of Police. During that discussion, the Chief of Police stated that everything's good and I got it on the agenda. He stated to JIHAD HAMAD, I heard you had some questions. He stated, I heard you stopped in [to Harahan City Hall] to check. JIHAD HAMAD stated, I had to check. There followed a discussion about the amount of business that was being lost because HCS could not sell wine. During that conversation, **ZUHAIR HAMED** asked JIHAD HAMAD to tell the Chief of Police how much money "we" were losing, implying that **ZUHAIR HAMED** had a financial interest in HCS. JIHAD HAMAD did not clarify the facts concerning the ownership of HCS. JIHAD HAMAD stated to the Chief of Police that at least ten customers per day came into the store and asked for wine. **ZUHAIR HAMED** stated if your operation can't sell alcohol, you might as well stay home. He stated that HCS had lost at least \$80,000 over the course of 2-1/2 years because it did not have a license to sell alcohol. The Chief of Police asked both men if they would be at the council meeting that evening. JIHAD HAMAD asked the Chief of Police whether the Mayor of Harahan was okay with the issuance of a wine and liquor license to HCS. The Chief of Police replied, it is not up to the Mayor, it's up to me and I just have to sign paperwork that is sitting on my desk.

An FBI special agent would testify that following the meeting on June 21, 2012, the Chief of Police turned over \$1,000 cash that he had been given by **ZUHAIR HAMED**.

On June 21 and 27, 2012, **ZUHAIR HAMED** gave voluntary statements to special agents of the FBI.

**ZUHAIR HAMED** stated that he knew **JIHAD HAMAD** as a friend of **ZUHAIR HAMED**'s son, and about six or seven months prior to June 27, 2012, **JIHAD HAMAD** told him that he had applied for a high volume liquor license. **JIHAD HAMAD** stated that the Mayor of Harahan did not object to his obtaining the high volume license, but the Chief of Police told him that he would not give him the license. **JIHAD HAMAD** told **ZUHAIR HAMED** that he approached the Chief of Police another time about the high volume liquor license and the Chief of Police told **JIHAD HAMAD** that he could not have a high volume liquor license because his store was located too close to a church. **JIHAD HAMAD** told **ZUHAIR HAMED** that he talked to members of the church, made a \$500 donation to the church and the church did not object to his being granted a high volume liquor permit.

About three or four months ago, **JIHAD HAMAD** came to Wagner's Meats and met **ZUHAIR HAMED** there. **JIHAD HAMAD** stated that the Chief of Police had told him that the Chief of Police knew **JIHAD HAMAD**'s father. **ZUHAIR HAMED** asked who the Chief of Police of the City of Harahan was, and upon learning his name, recalled that the Chief of Police, prior to his election to office, used to come into **ZUHAIR HAMED**'s store years ago. **JIHAD HAMAD** asked **ZUHAIR HAMED** if he thought it would help if **JIHAD HAMAD** made a contribution to the campaign of the Chief of Police. **ZUHAIR HAMED** told **JIHAD HAMAD** to determine if the Chief was doing any fundraising. **ZUHAIR HAMED** offered to talk to the Chief of Police about the issue of the high volume liquor permit. **JIHAD HAMAD** told **ZUHAIR HAMED** that he did want **ZUHAIR HAMED** to meet with the Chief of Police.

**ZUHAIR HAMED** stated that he did not have a car. **JIHAD HAMAD** had picked up **ZUHAIR HAMED** and transported him to the restaurant where various meetings had occurred.

After his first meeting with the Chief of Police, **ZUHAIR HAMED** spoke to JIHAD HAMAD, who stated that he was willing to do whatever the Chief of Police needed or wanted in exchange for the high volume permit. JIHAD HAMAD stated that he could afford to pay \$2,000 to \$3,000, but no more than that. **ZUHAIR HAMED** stated that he was trying to help JIHAD HAMAD, and was not getting any benefit from doing so.

**ZUHAIR HAMED** told JIHAD HAMAD that the Chief of Police wanted \$20,000 in exchange for the high volume permit. JIHAD HAMAD stated that he did not have the money to pay \$20,000.

**ZUHAIR HAMED** admitted that about that time, he received two payments from JIHAD HAMAD of \$1,000 cash, for a total of \$2,000. **ZUHAIR HAMED** held the cash for several days and then deposited the cash into a Wagner's Meats business bank account. The \$2,000 cash was co-mingled with other deposits from Wagner's Meats, so bank statements would not reflect a deposit in the exact amount of \$2,000. **ZUHAIR HAMED** wrote a check for \$2,000 and gave it to the Chief of Police. He paid by check because it looked more like a campaign contribution, and by using a check, he could prove to JIHAD HAMAD that he had actually paid the Chief of Police the money JIHAD HAMAD had given him.

**ZUHAIR HAMED** met with JIHAD HAMAD after he gave the \$2,000 check to the Chief of Police and told JIHAD HAMAD that the Chief of Police was not going to approve the high volume permit for \$2,000, but wanted more money. On the last day that **ZUHAIR HAMED** met with the Chief of Police, JIHAD HAMAD gave **ZUHAIR HAMED** another \$1,000 in cash and a check in the amount of \$2,000 dated July 15, 2012. The check was issued with the payee blank. JIHAD HAMAD asked **ZUHAIR HAMED** if he thought the Chief of Police would take a postdated check because JIHAD HAMAD did not have the money in his account to cover the

check. **ZUHAIR HAMED** stated that he would not give the Chief of Police a postdated check, and gave the check back to JIHAD HAMAD.

**ZUHAIR HAMED** stated that JIHAD HAMAD stayed in the car during the first part of the meeting with the Chief of Police on June 21, 2012, because **ZUHAIR HAMED** did not want to upset the Chief of Police by having JIHAD HAMAD there when the \$1,000 payment was made. JIHAD HAMAD wanted to come to the meeting, but **ZUHAIR HAMED** told JIHAD HAMAD to first allow him to ask the Chief of Police's permission to have JIHAD HAMAD join the meeting.

**ZUHAIR HAMED** admitted that the payments to the Chief of Police were to obtain the liquor license for HCS. **ZUHAIR HAMED** stated that he never offered the Chief of Police any money for anything other than the liquor license for HCS. The only thing that **ZUHAIR HAMED** offered money to the Chief of Police in exchange for was the liquor license.

After his last meeting with the Chief of Police, **ZUHAIR HAMED** was interviewed by the FBI. Following that meeting, **ZUHAIR HAMED** discussed the matter with JIHAD HAMAD. JIHAD HAMAD asked **ZUHAIR HAMED** what questions the FBI had asked him. Later that evening, JIHAD HAMAD asked **ZUHAIR HAMED** whether he thought they were in trouble. **ZUHAIR HAMED** stated that he and JIHAD HAMAD should be worried.

An official of the City of Harahan, Louisiana would testify that during the one-year period ending June 30, 2012, the City of Harahan received at least \$28,716 in Federal funds under Federal programs involving grants, contracts, subsidies, loans, guarantees, insurance and other forms of Federal assistance.

The City of Harahan was a subgrantee of a Community Policing Grant, awarded by the Louisiana Commission on Law Enforcement, for the period August 1, 2011 through January 31, 2013. The Community Policing Grant provided Federal funds for personnel costs for the

Harahan Police Department to employ a dedicated Community Police Officer. The amount of federal funds received in connection with the grant for the period July 1, 2011 through June 30, 2012 was \$28,716.

That official would also testify that the combined total wages and benefits of the employees of the Harahan Police Department for the period from July 1, 2011 to May 31, 2012 was \$1,389,250.

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EILEEN GLEASON  
Assistant United States Attorney  
D.C. Bar No. 980511

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Date

\_\_\_\_\_  
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\_\_\_\_\_  
Date

\_\_\_\_\_  
ZUHAIR HAMED  
Defendant

\_\_\_\_\_  
Date