

FILED
09 MAY 27 AM 11:36
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

JAMES S. McCULLOUGH,

Defendant.

) INFORMATION
) **1:09 CR 0240**
) CASE NO.
)
) **JUDGE GWIN**
)
)
) Title 18, United States Code, Section
) 1951

The United States Attorney charges:

General Allegations

At all times material to this Information:

Relevant Persons and Entities

1. The City of Cleveland Building and Housing Department (“CBHD”) was a government agency that administered and enforced the Cleveland building, housing and zoning codes as well as the national electrical code and the state of Ohio building, plumbing, and elevator codes. CBHD registered building contractors, inspected all new and major rehabilitation construction and provided nuisance abatement to condemned properties. The Department

supervised and managed the Code Enforcement, Construction Permitting and Records Administration divisions. The mission was to ensure that all existing and new structures in the City of Cleveland were maintained and constructed in a safe and habitable manner through enforcement of the building and zoning codes, pursuant to the review of plans, issuance of permits and inspection of property.

2. Defendant, JAMES S. McCULLOUGH, an agent of CBHD, was a residential housing inspector responsible for inspecting residential construction projects within the City of Cleveland to ensure compliance with the City of Cleveland's building and zoning codes.

3. As part of the investigation leading to the filing of this Information, an FBI agent acting undercover ("UCA 1") represented himself to be the principal of a real estate investment company from New York. UCA 1 represented himself to be an investor and a potential purchaser of HUD (Department of Housing and Urban Development)-owned houses.

HUD Houses

4. McCULLOUGH and other inspectors demanded and received cash payments from UCA 1, believing the UCA operated a company in New York and wanted to buy houses, including HUD-owned houses, at a low price and quickly resell them for a profit. McCULLOUGH received cash from UCA 1 in exchange for placing violation notices on a HUD house which artificially decreased the price of the house. After receiving cash payments from UCA 1, McCULLOUGH (using his official position) removed the violations from the property thereby allowing UCA 1 to possibly "flip" the house for a profit.

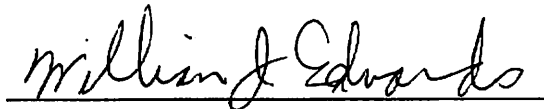
COUNT 1
(Extortion Under Color of Official Right)

The United States Attorney further charges:

5. The General Allegations contained in paragraphs 1 through 4 of this Information are incorporated herein as if set forth in full.

6. From on or about October 6, 2006, through on or about February 23, 2007, in the Northern District of Ohio, Eastern Division, the Defendant, JAMES S. McCULLOUGH, did knowingly attempt to obstruct, delay, and affect in any way and degree interstate commerce and the movement of articles and commodities in interstate commerce by extortion; that is, JAMES S. McCULLOUGH obtained property (\$1530 cash) not due him, from UCA 1, with UCA 1's consent, under color of official right.

All in violation of Title 18, United States Code, Section 1951.


WILLIAM J. EDWARDS
UNITED STATES ATTORNEY