

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

**FELONY**

**BILL OF INFORMATION FOR CONSPIRACY TO COMMIT BANK FRAUD**

UNITED STATES OF AMERICA	*	CRIMINAL NO.
v.	*	SECTION:
REGINALD R. HARPER	*	VIOLATION: 18 U.S.C. § 371
TROY A. FOUQUET	*	
	* * *	

The United States Attorney charges that:

**COUNT 1**  
(Conspiracy to Commit Bank Fraud)

**A. AT ALL TIMES MATERIAL HEREIN:**

1. The defendant, **REGINALD R. HARPER (“HARPER”)** was employed by First Community Bank beginning not later than 1999 through in or about September 2009, when he resigned. Beginning in or around 2004 until September 2009, **HARPER** was employed as First Community Bank’s President, Chief Executive Officer, and loan officer. During this period of time, **HARPER** resided in the Eastern District of Louisiana.

2. First Community Bank (“FCB” or the “bank”) is a bank headquartered in Hammond, Louisiana, located within the Eastern District of Louisiana. The deposits of FCB

were insured by the Federal Deposit Insurance Corporation (“FDIC”) under certificate number 35090.

3. By virtue of **HARPER**’s position as President and CEO of FCB, he owed the bank a fiduciary duty to act in the best interests of the bank and its depositors at all times and to disclose all material facts to, among others, the Board of Directors of FCB and any state or federal regulators, relating to business transactions and agreements he engaged in on behalf of FCB.

4. Additionally, as a loan officer of FCB, **HARPER** was familiar with and had intimate knowledge of all details of the loans that were authorized by him on behalf of FCB, including the status of the loans (current or delinquent), the payoff amounts of the loans, the name of the person/entity the loan was made to, and how funds were disbursed on these loans.

5. The defendant, **TROY A. FOUQUET** (“**FOUQUET**”), a resident of the Eastern District of Louisiana, is a local real estate developer by and through various companies he owns or has a financial interest in, including, among others, Team Management, LLC (“Team Management”) and TRISA, LLC (“TRISA”). Team Management and TRISA are headquartered and located within the Eastern District of Louisiana, as well. As noted below, beginning in or around 2004, **FOUQUET** and his companies obtained in excess of \$2 million in FCB loans, authorized by **HARPER**, to purchase and develop parcels of real estate to be subdivided and to build houses on them for purchase by prospective home buyers.

6. The goal of the business relationship between **HARPER**, on behalf of FCB, and **FOUQUET** was to purchase and develop parcels of real estate; build houses on them; and then identify prospective home buyers to purchase the houses. Once these prospective home buyers

were identified, they were to obtain mortgages from permanent mortgage lenders, who would then disburse the mortgage funds to payoff **FOUQUET**, his companies, and ultimately, FCB.

7. As set forth in more detail below, **HARPER** and **FOUQUET**, among others, engaged in a repeated pattern of fraudulent conduct, to the benefit of each other and their various companies, and to the detriment of First Community Bank. Among other things, **HARPER**, **FOUQUET**, and others engaged in fraudulent conduct by (1) utilizing “straw borrowers” to obtain new FCB loans (so-called “nominee” or sham loans), the proceeds of which were used to pay older, soon-to-be delinquent loans; and (2) presenting and accepting insufficient checks (i.e. checks not supported by sufficient funds) for payment for loans made to or for the benefit of **FOUQUET** or his related companies, and using these checks to make the loans appear current when, in reality, these loans were delinquent.

8. As a result of the fraudulent actions noted above, **HARPER** was able to conceal the true status of the loans to **FOUQUET** and his companies from, among others, FCB’s Board of Directors, and state or federal regulators and auditors. Additionally, by concealing the true status of these delinquent loans, the fraudulent activities of **HARPER** and **FOUQUET** led to false FCB call reports (reports of financial condition issued by FCB on a quarterly basis), which ultimately impacted an application completed and submitted by FCB to the Troubled Asset Relief Program (“TARP”), a program administered by the United States.

9. As a direct result of the misconduct by **HARPER** and **FOUQUET** noted above, First Community Bank incurred large losses.

**B. THE SCHEME AND ARTIFICE TO DEFRAUD:**

Beginning at a time unknown but not later than in or about 2004 and continuing through in or about 2009, in the Eastern District of Louisiana and elsewhere, the defendants, **REGINALD R. HARPER** and **TROY A. FOUQUET**, together with others known to the United States Attorney, knowingly devised and intended to devise a scheme and artifice to defraud First Community Bank and to obtain money or property from First Community Bank by means of material false pretenses and representations, whereby **HARPER**, as President, CEO, and loan officer of FCB, made loans to or for the benefit of **FOUQUET**, his companies, and others and, when it became clear that these loans would be delinquent and the bank would suffer severe losses, undertaking numerous fraudulent actions to conceal their delinquency. These fraudulent actions concealed the delinquency of these loans from, among others, other FCB officers and employees, members of the Board of Directors of FCB, auditors, consultants, and various state and federal regulators.

It was part of the scheme and artifice to defraud that, during this period of time, in or around 2004 through in or around 2009, **HARPER**, as President, CEO, and loan officer of FCB, loaned **FOUQUET** and/or his companies, including Team Management, in excess of \$2 million in FCB funds to purchase various tracts of land to be developed as residential subdivisions, and to construct homes on these plots, in the Tangipahoa Parish, Louisiana area and the St. Tammany Parish area, all located in the Eastern District of Louisiana.

It was further part of the scheme and artifice to defraud that, **HARPER**, **FOUQUET**, and others, sought to identify individuals to qualify for mortgages through various permanent lenders to purchase these newly-constructed homes and that many of the individuals identified by, among

others, **HARPER**, **FOUQUET**, and others, were poor credit risks for permanent mortgage lenders. As a result, most of these individuals did not qualify for mortgages.

It was also part of the scheme and artifice to defraud that, recognizing these individuals were poor credit risks for permanent mortgage lenders, **HARPER** and others sought to falsely and fraudulently portray these individuals as having sufficient funds to qualify for a mortgage by, among other things, making sham FCB loans to these individuals for the purpose of defrauding the permanent mortgage companies. These “loans” were never intended to be true loans but were in fact monies disbursed by **HARPER** as FCB President, CEO, and loan officer, to these purported home buyers for the express purpose of reflecting to permanent mortgage lenders that the home buyers had sufficient funds. When these prospective home buyers then qualified for a mortgage from the permanent lenders, the funds “loaned” by **HARPER** would be subsequently withdrawn from the accounts of the home buyers by or under the direction of **HARPER**.

It was further part of the scheme and artifice to defraud that, in cases where these prospective home buyers did not receive permanent mortgages, **HARPER** and **FOUQUET** engaged in a repeated practice of using “straw borrowers” to sign up for new loans (so-called “nominee loans” or sham loans), the proceeds of which were used to pay off the original loans in the names of the prospective home buyers. For many of these new nominee loans, it was understood by **HARPER**, **FOUQUET**, and others that the new borrowers were never going to have to repay the loans. In many cases, the “straw borrowers” included individuals related or associated with defendant **FOUQUET**. Utilizing these nominee loans and straw borrowers allowed **HARPER** to falsely represent to FCB’s Board of Directors, state and federal regulators and auditors, and in FCB bank records, that most the loans he had authorization over were not

delinquent. These representations were false because it was only through the process of these sham or nominee loans, which were not true loans, that **HARPER** was able to pay off the older, original loans made to the home buyers.

It was further part of the scheme and artifice to defraud that, in certain occasions in 2008 and 2009, in an effort to make monthly payments on some of the loans in the name of **FOUQUET**, his relatives/associates (the “straw borrowers”), or his related companies, **FOUQUET** would present an insufficient check (i.e. a check not backed up by sufficient funds) to **HARPER**, FCB’s President, CEO, and loan officer, to cover these monthly payments. Despite knowing these checks were insufficient, **HARPER** nonetheless would record payments on the books and records of FCB to make it appear as if the **FOUQUET**-related loans in question were current (not delinquent).

**C. THE CONSPIRACY:**

Beginning at a time unknown but not later than in or about 2004 and continuing through in or about September 2009, in the Eastern District of Louisiana and elsewhere, the defendants, **REGINALD R. HARPER** and **TROY A. FOUQUET**, together with others known and unknown to the United States Attorney, did willfully and knowingly combine, conspire, confederate and agree together and with each other to commit the following offense against the United States and to conceal its commission, namely, to violate Title 18, United States Code, Sections 1344 (bank fraud) by devising and intending to devise a scheme and artifice to defraud, as described in Part B of this Bill of Information, a financial institution (First Community Bank) and to obtain any of the moneys, funds, credits, assets, securities, or other property owned by, or under the custody or control of, a financial institution (First Community Bank), by means of false

or fraudulent pretenses, representations, or promises, all in violation of Title 18, United States Code, Section 371.

**D. OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY:**

In furtherance of the conspiracy and to achieve its object, **HARPER, FOUQUET**, and others committed and caused to be committed the following overt acts, among others, in the Eastern District of Louisiana and elsewhere:

1. On or about March 26, 2004, **HARPER**, with **FOUQUET**'s knowledge, granted and authorized FCB Loan No. xxxx-4800, in the amount of \$235,000, to Employee A, an employee of **FOUQUET**'s company, Team Management. The stated purpose of the loan was to construct a house. This loan was later modified and reached a balance of approximately \$265,000.
2. On or about August 22, 2007, after Employee A could not qualify for a permanent mortgage, a new loan was authorized by **HARPER** on behalf of FCB (Loan No. xxxx-3200), this one made to **FOUQUET**'s company, Team Management.
3. Five days later, on or about August 27, 2007, recognizing that Employee A could not pay off his loan (FCB Loan No. xxxx-4800), **HARPER** authorized the disbursement of over \$265,000 from this second loan made to Team Management (Loan No. xxx-3200) to pay off Employee A's loan, in an effort to conceal its delinquent status.
4. On or about March 31, 2009, a Team Management check drawn on Regions Bank in the amount of \$18,507.96 made payable to "TRISA, LLC" was caused to be

presented by **FOUQUET** to FCB, despite the fact that **FOUQUET** knew there was not sufficient funds in the Regions Bank account to cover this check.

5. On or about March 31, 2009, **HARPER**, or others at FCB acting under his direction and control, accepted this check and applied the proceeds of the March 31, 2009 Team Management check to, among others, the payment of fourteen (14) loans in the name of Team Management. **HARPER** was the official FCB loan officer in charge of these loans.
6. On or about March 31, 2009, **HARPER**, or others at FCB acting under his direction and control, made entries on the books and records of FCB reflecting that the fourteen loans noted above to which the March 31 payment was applied to, were “current” (i.e. not delinquent).
7. On or about April 3, 2009, the March 31 check was returned by Regions Bank for non-sufficient funds.
8. Despite knowing that the March 31, 2009 Team Management check was returned for non-sufficient funds, **HARPER** never changed, or instructed anyone at FCB to change, the status of the fourteen loans that this payment was applied to. Therefore, though these loans were, in fact, delinquent, they continued to appear to be “current” on the books and records of FCB until late June 2009.

All in violation of Title 18, United States Code, Section 371.



### **NOTICE OF FORFEITURE**

1. The allegations of Count 1 of this Bill of Information are realleged and incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States of America pursuant to the provisions of Title 18, United States Code, Section 371 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c).

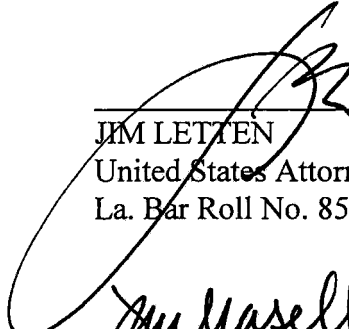
2. As a result of the offense alleged in Count 1, defendants, **REGINALD R. HARPER** and **TROY A. FOUQUET**, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c), any and all property, real or personal, which constitutes or is derived from proceeds traceable to a violation of Title 18, United States Code, Section 371.

3. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

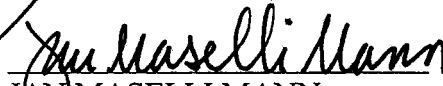
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Section 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c).




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New Orleans, Louisiana  
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