

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

FILED

SEP 19 2012

U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA

) CR. No.

)

) In violation of:

vs.

)

) Counts 1 and 2: 18 U.S.C. § 666

) (Federal Program Fraud)

)

CHARLES D. MOREAU,

)

)

and

)

)

MICHAEL G. BOUTHILLETTE

)

CR 12

129-01M

INFORMATION

The United States Attorney charges:

INTRODUCTION

At all times relevant to this Information:

1. From January of 2004 to the present, defendant CHARLES D. MOREAU ("MOREAU") was the elected Mayor of the city of Central Falls. For each fiscal year from July 1, 2007 through June 30, 2011, Central Falls received program benefits from the United States in a value greater than \$10,000. In fact, during each of these fiscal years, Central Falls received several millions of dollars from federal grants, contracts, and other forms of federal assistance.

2. Defendant MICHAEL G. BOUTHILLETTE ("BOUTHILLETTE") is a businessman engaged in maintenance work, post-disaster cleanup

and restoration, and janitorial work. He was a longtime personal friend and a political contributor of MOREAU's. BOUTHILLETTE pursued his business interests by operating at least three businesses: (1) Intercity Maintenance, Inc. ("Intercity"); (2) Certified Disaster Restoration Corp. ("Certified Disaster"); and (3) Certified Facility Solutions Corp. ("Certified Facility"). All three of these businesses were Rhode Island corporations owned and operated by BOUTHILLETTE.

3. Beginning in September of 2007, there was a large increase in the number of vacant homes in the city due to foreclosures. MOREAU directed that vacated homes be boarded up. He further directed that all boardup work be done by his friend BOUTHILLETTE, announcing at a January 2008 staff meeting that "I have a friend who will do the boardups."

4. MOREAU circumvented the State requirement that such work go out for competitive bidding by declaring that each vacant home presented an "emergency" necessitating an immediate boardup. To maximize the number of homes being boarded up by BOUTHILLETTE, MOREAU directed city housing officials to identify vacant homes. When MOREAU personally observed a vacant home, he would direct housing officials to get it boarded up. Based on MOREAU's directives, the time given to property owners to board up their homes was reduced from seven days to 24 hours, which

also served to maximize the number of homes being boarded up. Due to this rush to have BOUTHILLETTE board homes as quickly as possible, there were occasions when homes were boarded up although tenants were still living there. Additionally, there were occasions when homes were re-boarded by BOUTHILLETTE at MOREAU's direction even though the owners of those properties had already had the houses boarded up by other companies.

5. Pursuant to this arrangement, BOUTHILLETTE boarded up scores of homes. From approximately September 2007 to July 2009, he boarded up at least 167 homes. After BOUTHILLETTE submitted an invoice to the city for a boardup, a lien was placed on the subject property for the amount of the invoice. As foreclosed properties were sold and the liens discharged, Central Falls would pay BOUTHILLETTE. This system allowed BOUTHILLETTE to make unreasonable profits amounting to hundreds of thousands of dollars. When city employees raised concerns to MOREAU about the amounts being charged by BOUTHILLETTE to board up homes, MOREAU spurned and dismissed those concerns, telling an employee on one occasion to "mind his own [expletive] business." Further, once a lien was discharged, MOREAU would chastise city employees if BOUTHILLETTE was not immediately paid.

6. As a reward to MOREAU for providing the Central Falls boardup work, BOUTHILLETTE on three occasions corruptly gave

MOREAU things of value. MOREAU corruptly accepted each of these gratuities intending to be rewarded for giving BOUTHILLETTE the work.

7. In March of 2009, BOUTHILLETTE assisted MOREAU in obtaining a furnace for MOREAU's Central Falls residence. BOUTHILLETTE contributed at least a portion of the purchase price of the furnace.

8. From March to November of 2009, BOUTHILLETTE provided numerous renovations and repairs to a Lincoln residence owned by MOREAU. MOREAU has never paid BOUTHILLETTE for that work.

9. In April of 2010, BOUTHILLETTE provided flood remediation work at MOREAU's Lincoln home. MOREAU has never paid BOUTHILLETTE for that work.

COUNT 1

18 U.S.C. §§ 666(a)(1)(B)
(Federal Program Fraud)

10. The allegations set forth in paragraphs 1 through 9 of this Information are realleged and incorporated by reference as if fully set forth herein.

11. From in or about March 2009 to in about April 2010, in the District of Rhode Island, Defendant,

CHARLES D. MOREAU,

being an agent of a local government, to wit: the City of Central Falls, Rhode Island, which local government received in

excess of \$10,000 under one or more federal programs involving grants, contracts and other forms of federal assistance in a one-year period, did knowingly and corruptly, solicit, demand, accept, and agree to accept something of value, that is, a furnace, home renovations, and flood remediation services from Michael G. Bouthillette, intending to be rewarded in connection with a transaction and series of transactions of the City of Central Falls involving \$5,000 or more, that is, work boarding up vacant buildings.

All in violation of 18 U.S.C. §§ 666(a)(1)(B) and 2.

Count 2

18 U.S.C. §§ 666(a)(2)
(Federal Program Fraud)

12. The allegations set forth in paragraphs 1 through 9 of this Information are realleged and incorporated by reference as if fully set forth herein.

13. From in or about March 2009 to in about January 2010, in the District of Rhode Island, Defendant,

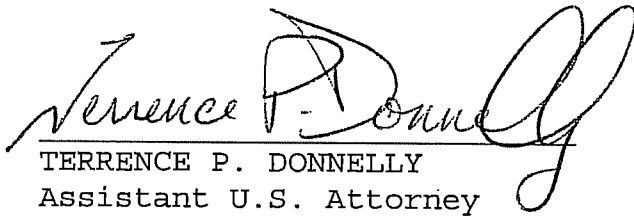
MICHAEL G. BOUTHILLETTE

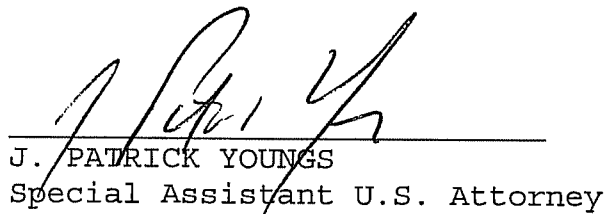
did knowingly, intentionally and corruptly give, offer and agree to give things of value, that is, a furnace, home renovations, and flood remediation services to an agent of a local government, to wit: The City of Central Falls, Rhode Island, which local government received benefits in excess of \$10,000

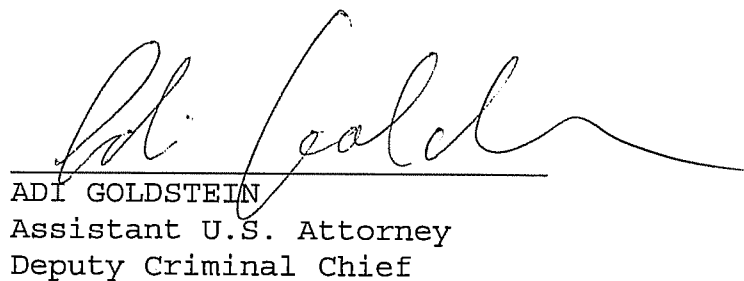
under one or more federal programs involving grants, contracts and other forms of federal assistance in a one-year period, with the intent to reward that agent in connection with business and a series of transactions of the City involving \$5,000 or more, that is, work boarding up vacant buildings.

All in violation of 18 U.S.C. §§ 666(a)(2) and 2.

PETER F. NERONHA
UNITED STATES ATTORNEY


TERRENCE P. DONNELLY
Assistant U.S. Attorney


J. PATRICK YOUNGS
Special Assistant U.S. Attorney


ADI GOLDSTEIN
Assistant U.S. Attorney
Deputy Criminal Chief

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

FILED

2012 SEP 19 P 1:15

U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA

v.

CHARLES D. MOREAU

CR. No.

CR 12 129-01 M

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the United States and Defendant, CHARLES D. MOREAU have reached the following agreement:

1. Defendant's Obligations.

a. Defendant will waive presentation of this matter to a grand jury and consent to the filing of a one count Information which charges one count of Corruptly Accepting a Gratuity by an Official of a City Receiving Federal Funds, in violation of 18 U.S.C.

§666(a)(1)(B). Defendant will plead guilty to the Information.

Defendant further agrees that the time between the filing of this plea agreement and the scheduled date for the change of plea is excludable under the Speedy Trial Act, 18 U.S.C. §3161.

b. To redress the criminal conduct in this case, the defendant agrees to pay a fine in the amount of at least \$6,474, but if the invoices for the Lincoln gratuities are not paid by the date of sentencing, the defendant agrees to pay a fine of \$19,558.95.

2. Government's Obligations. In exchange for Defendant's waiver of indictment and plea of guilty:

a. The government will recommend that the Court impose a term of imprisonment within the guideline range for the offense level determined by the Court under the United States Sentencing Guidelines (the guidelines), but not including probation or a split sentence. The defendant agrees that he will recommend a prison sentence no lower than the low end of the guideline range determined by the Court.

b. For purposes of determining the offense level, the government agrees to recommend a 2-level reduction in the offense level for acceptance of responsibility under §3E1.1(a) of the Guidelines if Defendant continues to demonstrate acceptance of responsibility through sentencing.

c. As of the date of this agreement, Defendant has timely notified authorities of an intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial. If the offense level is 16 or greater, the government will move the sentencing Court for an additional decrease of one level, pursuant to U.S.S.G. §3E1.1(b)(2), unless Defendant indicates an intention not to enter a plea of guilty, thereby requiring the government to prepare for trial.

d. The United States is free to recommend any period of supervised release it deems appropriate.

e. The United States agrees that, apart from the funds specified in ¶1(b), restitution is not warranted in this case.

f. The United States agrees that, other than the charge in the Information in this case, it will not bring any other criminal charges against Charles D. Moreau which (1) fall within the scope of the grand jury investigation in the District of Rhode Island relating to invoices submitted for work boarding up homes in Central Falls from in or about September 2007 to in or about November 2010 and the gratuities given by Michael G. Bouthillette to the defendant as a reward for the defendant's role in giving Bouthillette the boardup work; or (2) was known to the United States Attorney's Office for the District of Rhode Island as of the date of the execution of this plea agreement and which concerned the same subjects.

3. Defendant understands that the guidelines are not binding on the Court, and that, although the Court must consult the guidelines in fashioning any sentence in this case, the guidelines are only advisory, and the Court may impose any reasonable sentence in this matter up to the statutory maximum penalties after taking into account the factors enumerated in 18 U.S.C. § 3553(a).

4. The United States and defendant stipulate and agree to the following facts under the guidelines:

a. The parties agree that the guideline applicable to gratuities, U.S.S.G. §2C1.2, applies in this case.

b. The parties further agree that the offense involved more than one gratuity, see U.S.S.G. §2C1.2(b)(1).

c. The parties further agree that the value of the gratuities exceeded \$5,000, but was less than or equal to \$10,000, see U.S.S.G. §2C1.2(b)(2) and §2B1.1(b)(1)(B).

d. The parties further agree that the offense involved an elected official, see U.S.S.G. §2C1.2(b)(3).

5. Except as expressly provided in the preceding paragraph, there is no agreement as to which Offense Level and Criminal History Category applies in this case. Both the United States and Defendant reserve their rights to argue and present evidence on all matters affecting the guidelines calculation.

6. The maximum and minimum statutory penalties for the offenses to which Defendant is pleading are as follows:

| | |
|----------|--|
| Count 1: | - Ten (10) years imprisonment; |
| | - a term of supervised release of three (3) years; |
| | - a fine of \$250,000; and |
| | - a mandatory special assessment of \$100. |

7. Defendant agrees that, after Defendant and Defendant's counsel sign this agreement, counsel will return it to the United States Attorney's Office along with a money order or certified check,

payable to the Clerk, United States District Court, in payment of the special assessments. Failure to do so, unless the Court has made a previous finding of indigence, will relieve the government of its obligation to recommend a reduction in the offense level under the guidelines for acceptance of responsibility.

8. Defendant is advised and understands that:

a. The government has the right, in a prosecution for perjury or making a false statement, to use against Defendant any statement that Defendant gives under oath;

b. Defendant has the right to plead not guilty, or having already so pleaded, to persist in that plea;

c. Defendant has the right to a jury trial;

d. Defendant has the right to be represented by counsel - and if necessary have the Court appoint counsel - at trial and every other stage of the proceeding;

e. Defendant has the right at trial to confront and cross-examine adverse witnesses, to be protected from self-incrimination, to testify and present evidence, and to compel the attendance of witnesses; and

f. Defendant waives these trial rights if the Court accepts a plea of guilty.

9. The government reserves its full right of allocution, including the right to present any information to the Court for its

consideration in fashioning an appropriate sentence, the right to correct misstatements, misrepresentations, or omissions by Defendant, and to answer any questions asked by the Court.

10. Except for paragraphs 2 and 4 above, the parties have made no agreement concerning the application of the guidelines in this case.

11. Defendant understands that the Court alone makes all sentencing decisions, including the application of the guidelines and the sentence to be imposed. The Court is not bound by the parties' stipulations of fact, offense level adjustments, or the government's recommendations. The Court is free to impose any sentence it deems appropriate up to and including the statutory maximum. Defendant also understands that even if the Court's guideline determinations and sentence are different than Defendant expects, Defendant will not be allowed to withdraw Defendant's plea of guilty.

12. Defendant hereby waives Defendant's right to appeal the convictions and sentences imposed by the Court, if the sentences imposed by the Court are within or below the sentencing guideline range determined by the Court. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b), and the government retains its right to appeal any of the Court's sentencing determinations.

13. This agreement is binding on the government only if Defendant pleads guilty, fulfills all Defendant's obligations under

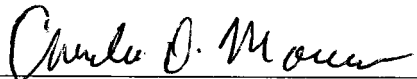
the agreement, does not engage in any conduct constituting obstruction of justice under § 3C1.1 of the guidelines, and does not commit any new offenses. Defendant understands that if Defendant violates this agreement in any way, the government shall be released from its obligations under the agreement and will be free to make any recommendations that it deems appropriate. If that occurs, Defendant shall not have the right to withdraw Defendant's guilty plea.

14. This agreement is limited to the District of Rhode Island and does not bind any other federal, state, or local prosecutive authorities.

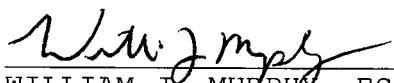
15. This agreement constitutes the entire agreement between the parties. No other promises or inducements have been made concerning the plea in this case. Defendant acknowledges that no person has, directly or indirectly, threatened or coerced Defendant to enter this agreement. Any additions, deletions, or modifications to this agreement must be made in writing and signed by all the parties in order to be effective.

16. Counsel for Defendant states that Counsel has read this agreement, been given a copy of it for Counsel's file, explained it to Defendant, and states that to the best of Counsel's knowledge and belief, Defendant understands the agreement.

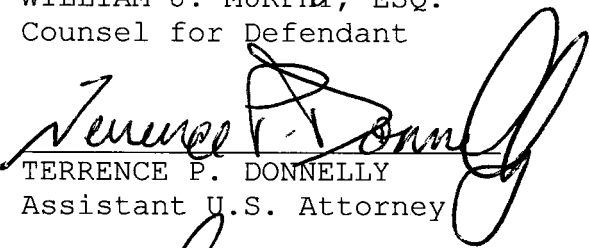
17. Defendant states that Defendant has read the agreement or has had it read to Defendant, has discussed it with Defendant's Counsel, understands it, and agrees to its provisions.


CHARLES D. MOREAU
Defendant

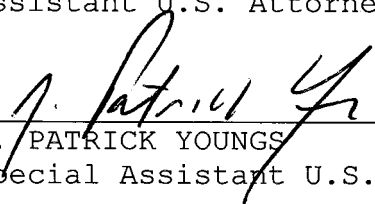
Date 9/14/12


WILLIAM J. MURPHY, ESQ.
Counsel for Defendant


Date 14 SEPT 12


TERRENCE P. DONNELLY
Assistant U.S. Attorney

Date 9/17/12


J. PATRICK YOUNGS
Special Assistant U.S. Attorney

Date 9/17/12


ADI GOLDSTEIN
Assistant U.S. Attorney
Deputy Criminal Chief

Date 9/14/12

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA

v.

MICHAEL G. BOUTHILLETTE

CR. No.

CR 12

129-02M

PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(B) of the Federal Rules of Criminal Procedure, the United States and Defendant, MICHAEL G. BOUTHILLETTE have reached the following agreement:

1. Defendant's Obligations.

a. Defendant will waive presentation of this matter to a grand jury and consent to the filing of an Information which charges one count of Corruptly Giving a Gratuity to an Official of a City Receiving Federal Funds, in violation of 18 U.S.C. §666(a)(2).

Defendant will plead guilty to the Information. Defendant further agrees that the time between the filing of this plea agreement and the scheduled date for the change of plea is excludable under the Speedy Trial Act, 18 U.S.C. §3161.

b. Defendant also agrees to perform community service as a condition of supervised release. Defendant and the government agree that Defendant will be required to contribute the sum of \$160,000.00 as approved by the U.S. Probation Department and the Court

in satisfaction of this community service obligation. The government and Defendant agree that the contributions shall be used to make grants for educational, public safety, social services or housing programs in Central Falls that redress the harm caused by Defendant's criminal conduct. Defendant also agrees to release to the City of Central Falls any funds which Central Falls has already collected or may collect in the future based on liens placed on properties by the defendant for boarding up properties, or for any related invoice. The parties understand the approximate value of those funds to be \$277,000. The defendant will execute any documents that are necessary to achieve this objective, including withdrawing any claim related to the boardup invoices currently filed by him or his companies with the United States Bankruptcy Court. The defendant agrees that neither the contributions nor the amounts released will be used in any way to seek an income tax deduction or credit.

2. Government's Obligations. In exchange for Defendant's waiver of indictment and plea of guilty:

a. The government will recommend that the Court impose a term of imprisonment within the guideline range for the offense level determined by the Court under the United States Sentencing Guidelines (the guidelines), but not including probation or a split sentence. The defendant agrees that he will recommend a prison sentence no lower than twelve (12) months in prison.

b. For purposes of determining the offense level, the government agrees to recommend a 2-level reduction in the offense level for acceptance of responsibility under §3E1.1(a) of the Guidelines if Defendant continues to demonstrate acceptance of responsibility through sentencing.

c. As of the date of this agreement, Defendant has timely notified authorities of an intention to enter a plea of guilty, thereby permitting the government to avoid preparing for trial. If the offense level is 16 or greater, the government will move the sentencing Court for an additional decrease of one level, pursuant to U.S.S.G. §3E1.1(b) (2), unless Defendant indicates an intention not to enter a plea of guilty, thereby requiring the government to prepare for trial.

d. The United States is free to recommend any period of supervised release.

e. The United States agrees that it will recommend a fine no greater than \$5,000.

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Falls from in or about September 2007 to in or about November 2010 and the gratuities given by the defendant to Mayor Charles D. Moreau as a reward for Moreau's role in giving the defendant the boardup work; or (2) was known to the United States Attorney's Office for the District of Rhode Island as of the date of the execution of this plea agreement and which concerned the same subjects.

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| | - a term of supervised release of |
| | three (3) years; |
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| | - a mandatory special assessment |
| | of \$100. |

7. Defendant agrees that, after Defendant and Defendant's counsel sign this agreement, counsel will return it to the United States Attorney's Office along with a money order or certified check, payable to the Clerk, United States District Court, in payment of the special assessments. Failure to do so, unless the Court has made a previous finding of indigence, will relieve the government of its obligation to recommend a reduction in the offense level under the guidelines for acceptance of responsibility.

8. Defendant is advised and understands that:

a. The government has the right, in a prosecution for perjury or making a false statement, to use against Defendant any statement that Defendant gives under oath;

b. Defendant has the right to plead not guilty, or having already so pleaded, to persist in that plea;

c. Defendant has the right to a jury trial;

d. Defendant has the right to be represented by counsel - and if necessary have the Court appoint counsel - at trial and every other stage of the proceeding;

e. Defendant has the right at trial to confront and cross-examine adverse witnesses, to be protected from self-incrimination, to testify and present evidence, and to compel the attendance of witnesses; and

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12. Defendant hereby waives Defendant's right to appeal the convictions and sentences imposed by the Court, if the sentences imposed by the Court are within or below the sentencing guideline range determined by the Court. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b), and the government retains its right to appeal any of the Court's sentencing determinations.

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recommendations that it deems appropriate. If that occurs, Defendant shall not have the right to withdraw Defendant's guilty plea.

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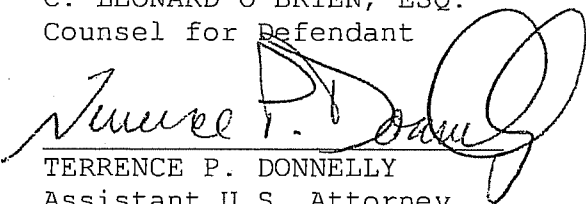
MICHAEL G. BOUTHILLETTE
Defendant

Date 9/14/12



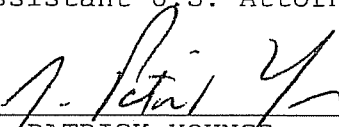
C. LEONARD O'BRIEN, ESQ.
Counsel for Defendant

Date 9/14/12



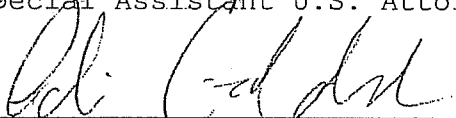
TERRENCE P. DONNELLY
Assistant U.S. Attorney

Date 9/17/12



J. PATRICK YOUNGS
Special Assistant U.S. Attorney

Date 9/17/12



ADI GOLDSTEIN
Assistant U.S. Attorney
Deputy Criminal Chief

Date 9/14/12