

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
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WILLIAM W. ELEVINS
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

INDICTMENT FOR CONSPIRACY TO
COMMIT WIRE FRAUD

UNITED STATES OF AMERICA

* CRIMINAL NO.:

VERSUS

* SECTION: " " ()

JESSE MARCUS ESTES

* VIOLATIONS: 18 U.S.C. § 1343
18 U.S.C. § 1349
* 18 U.S.C. § 2

* * *

The Grand Jury charges that:

COUNT 1

A. AT ALL TIMES MATERIAL HEREIN:

1. Louisiana Steam Equipment Company, L.L.C. (Louisiana Steam) was a corporation headquartered in New Orleans, Louisiana, in the business of providing steam, air, water, and both oil and gas specialty equipment for general industries.
2. Utilities Operation Group - Texas (UOGT) was located near Houston, Texas, and served as the construction and service arms of Louisiana Steam. UOGT maintained Capital One Account No. XXXX8737 in New Orleans, Louisiana.

3. Texas Steam & Instrumentation Company, also known as Texas Steam Equipment Company (hereinafter "Texas Steam") was located near Houston, Texas, and served as the sales arm of UOGT. Defendant, JESSE MARCUS ESTES (ESTES), was the Vice

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President of Texas Steam and was also responsible for the operations of UOGT. Texas Steam maintained its primary business account at Capital One Bank Account No. XXXX2489 in New Orleans, Louisiana. Texas Steam also maintained Capital One Bank Account No. XXXX8691 in Louisiana, which was used locally by Texas Steam in Texas.

4. Most accounting functions for Louisiana Steam, Texas Steam, and UOGT, including payments to vendors, were performed in New Orleans, Louisiana.

5. Industrial Sales and Supply (Industrial) was a sole proprietorship in Texas created by **ESTES**. Industrial Sales maintained Capital One Checking Account No. XXXX9055. **ESTES** was the sole signatory on the account.

6. Tru-Line Builders (Tru-Line) was a sole proprietorship in Texas created by **ESTES**. Tru-Line maintained Capital One Checking Account No. XXXX1973 in the name of “Jesse M. Estes DBA Tru-Line Builders.” **ESTES** was the sole signatory on the account.

7. **ESTES** maintained Capital One Account No. XXXX9121, a personal banking account, in Texas.

8. Texas Company One (TEXONE) was a Texas business engaged in the business of manufacturing and installing industrial insulation jackets, and other assorted projects. TEXONE maintained Compass Bank Account Nos. XXXX3870 (Compass) in the Houston, Texas, area.

9. Texas Company Two (TEXTWO) was a Texas business engaged in the business of manufacturing and installing industrial insulation blankets. TEXTWO maintained Wells Fargo Account No. XXXX7856 (Wells Fargo Account) in the Houston, Texas, area.

10. When bidding for jobs and calculating the costs associated with projects, Louisiana Steam and Texas Steam routinely built in a profit margin.

11. **ESTES** received a salary from Texas Steam as well as a bonus or commission of approximately 10% of net income of Texas Steam and UOGT.

B. THE CONSPIRACY:

12. Beginning at time unknown to the Grand Jury, but at least in or about January 2007, and continuing through at least February 28, 2014, in the Eastern District of Louisiana and elsewhere, the defendant, **JESSE MARCUS ESTES**, together with others both known and unknown to the Grand Jury, did willfully and knowingly combine, conspire, confederate, and agree with each other to devise a scheme and artifice to defraud and obtain money by means of false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted in interstate commerce certain writings, signs, signals, and sounds by means of wire communications as described below, in violation of Title 18, United States Code, Section 1343.

C. PURPOSE OF THE CONSPIRACY TO DEFRAUD:

13. In January 2007, and perhaps earlier, **ESTES** was submitting Industrial invoices to Texas Steam for different types of industrial materials. The invoices referenced the Texas Steam or UOGT jobs that should be charged for the expenses.

14. In about January 2010, **ESTES** convinced an owner of TEXONE, and later in about May 2012, a TEXTWO owner, to submit false invoices to Texas Steam or UOGT on pre-existing Texas or UOGT customers. Because the jobs **ESTES** referenced, or told the owners of TEXONE and TEXTWO to reference, on the false invoices were usually larger jobs, the fraudulently added job costs had a smaller, less noticeable, impact on the profitability of the job for Texas Steam or UOGT. Once **ESTES** had the TEXONE and TEXTWO owners provide Texas Steam or UOGT with false invoices, **ESTES** caused Texas Steam or UOGT to pay

TEXONE and TEXTWO for the non-existent sales or services represented on the false invoices. TEXONE and TEXTWO deposited the fraudulent proceeds into their accounts and made kickback payments to **ESTES** usually in amounts approximating 65%-75% of the amount of the fraudulent invoices. The kickback checks were not made payable to **ESTES** but, instead, were made payable to **ESTES**' company, Industrial, which provided no goods or services to TEXONE or to TEXTWO in return for the payments. **ESTES** deposited, and caused the checks to be deposited, into his Industrial checking account.

15. **ESTES** also created false expenses in the name of Tru-Line which he charged to a Texas Steam construction project. **ESTES** deposited the funds into his Tru-Line account and used the fraudulent proceeds for personal expenses.

16. In addition to the false invoice scheme, **ESTES** also had service providers perform personal jobs for him for which he charged Texas Steam and UOGT.

D. MANNER AND MEANS

17. Among the manner and means by which **ESTES**, TEXONE, and TEXTWO, among others, carried out the conspiracy were the following:

18. **Payments from Texas Steam to Industrial Sales:** On about October 7, 2011, **ESTES** submitted false Industrial Invoice No. 1578-9536 in the amount \$14,700 to Texas Steam for various materials. On about November 21, 2011, **ESTES** caused the payment of \$14,700 from Texas Steam to Industrial. On November 30, 2011, **ESTES** deposited Texas Steam Capital One Account No. XXXX2489 Check No. 5212 into his Industrial Capital One Account No. XXXX9055. Thereafter, **ESTES** used the deposited funds for his personal benefit. Industrial provided no materials to Texas Steam.

19. On about September 19, 2012, **ESTES** made a verbal request to Texas Steam for \$12,000 to pay an Industrial bill which he falsely represented was to pay for inventory materials. On about September, 19, 2012, **ESTES** caused Texas Steam to issue Texas Steam Capital One Account No. XXXX2489 Check No. 1169 in the amount of \$12,000 which **ESTES** deposited into his Capital One Account No. XXXX9121. Thereafter, **ESTES** used the deposited funds for his personal benefit. Industrial provided no inventory materials to Texas Steam.

20. On about July 12, 2013, **ESTES** emailed Louisiana Steam from Texas Steam requesting \$5,400 to pay an Industrial bill. **ESTES** falsely represented that the payment was to purchase 1200 feet of insulated tubing. On about July 15, 2013, **ESTES** caused Texas Steam to issue Texas Steam Capital One Account XXXX8691 Check No. 1292 in the amount of \$5,400 to pay Industrial. **ESTES** deposited the check into his Industrial Capital One Account No. XXXX9055. Thereafter, **ESTES** transferred \$5,400 and used it for his personal benefit. Industrial provided no tubing to Texas Steam.

21. **Fraud Conspiracy Between ESTES and TEXONE:** Between approximately February 2010, and May 2012, **ESTES** caused TEXONE to create about eleven (11) falsified invoices that included thermal blankets and other goods and services routinely provided by TEXONE well knowing that the original purchase orders by Texas Steam's clients did not include, or later call for, the items listed in the fraudulent purchase orders.

22. **ESTES** caused the fraudulent invoices to be submitted to Louisiana Steam's accounting department and caused checks to be disbursed to TEXONE for the amounts of the invoices.

23. **ESTES caused TEXONE to issue at least twelve (12) kickback checks to Industrial so that checks paid by TEXONE for the falsified invoices appeared to be paid to a business entity rather than to ESTES. TEXONE usually held back a portion of every payment made by Texas Steam or UOGT to cover TEXONE's tax liability. ESTES often directed TEXONE to go to ESTES' bank to deposit the kickback checks into ESTES' Industrial account.**

The transactions occurred as described below:

24. **TEXONE \$53,000 in Payments to Estes:** On about February 23, 2010, TEXONE submitted false Invoice No. 10-1949 in the amount of \$111,375 to Texas Steam for a lot of sewn removable blankets "System" for Manifolds for Customer P.O. No. 52660.
25. On about March 19, 2010, Texas Steam issued Texas Steam Capital One Account No. XXXX2489 Check No. 001304 payable to TEXONE in the amount of \$111,375 for Invoice No. 10-1949.
26. On about March 24, 2010, TEXONE issued TEXONE Compass 3870 Check No. 13619 in the amount of \$20,000 to Industrial. ESTES instructed one of the TEXONE owners to deposit the check into his Industrial Account No. XXXX9055.
27. On about March 25, 2010, TEXONE issued TEXONE Compass Check No. 13717 in the amount of \$33,000 to Industrial. ESTES instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055.
28. ESTES used the deposited funds from TEXONE for his personal benefit. Industrial provided no goods or services to TEXONE, Texas Steam, or Texas Steam's customer.
29. **TEXONE \$19,000 in Payments to Estes:** On about May 3, 2010, TEXONE submitted false Invoice No. 10-2150 in the amount of \$12,300 to UOGT for a Paneling System for Customer P.O. No. 81235. The invoice noted that ESTES was the UOGT contact.
30. On about June 3, 2010, UOGT issued UOGT Capital One Account No. XXXX8737 Check No. 23346 payable to TEXONE in the amount of \$12,300 for Invoice No. 10-2150

31. On about May 13, 2010, TEXONE submitted false Invoice No. 10-2167 in the amount of \$6,720 to UOGT for "Insulation System on Steam & Condensate Headers" for Customer P.O. No. 81235. The invoice noted that **ESTES** was the UOGT contact.
32. On about June 10, 2010, UOGT issued UOGT Capital One Account No. XXXX8737 Check No. 23458 payable to TEXONE in the amount of \$6,720 for Invoice No. 10-2167.
33. On about June 2, 2010, TEXONE submitted false Invoice No. 10-2214 in the amount of \$15,350 to Texas Steam for "Insulation and Scaffold Extra Work" for Customer P. O. No. 81235. The invoice was the attention of **ESTES**.
34. On about July 22, 2010, UOGT issued UOGT Capital One Account No. XXXX8737 Check No.23883 payable to TEXONE in the amount of \$15,350 for Invoice No. 10-2214.
35. On about June 18, 2010, TEXONE issued TEXONE Compass Check No. 14921 in the amount of \$7,500 to Industrial. **ESTES** instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055.
36. On about June 25, 2010, TEXONE issued TEXONE Compass Check No. 15026 in the amount of \$7,500 to Industrial. **ESTES** instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055.
37. On about July 26, 2010, TEXONE issued TEXONE Compass Check No. 15460 in the amount of \$4,000 to Industrial. **ESTES** instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055.
38. **ESTES** used the deposited funds from TEXONE for his personal benefit. Industrial provided no goods or services to TEXONE, Texas Steam, or Texas Steam's customer.
39. **TEXONE \$4,000 Payment to Estes:** On about June 28, 2010, TEXONE submitted false Invoice No. 10-2266 in the amount of \$4,550 to Texas Steam for a "Sewn Removable Blankets 'System' – Manifolds" pursuant to a "Verbal Order" by "Marc." The invoice was to the attention of **ESTES**.
40. On about July 16, 2010, Texas Steam issued Texas Steam Capital One Account No. XXXX2489 Check No. 1895 payable to TEXONE in the amount of \$4,550 for Invoice No. 10-2266.

41. On about July 20, 2010, TEXONE issued TEXONE Compass Check No. 15359 in the amount of \$4,000 to Industrial. ESTES instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055.
42. ESTES used the deposited funds from TEXONE for his personal benefit. Industrial provided no goods or services to TEXONE, Texas Steam, or Texas Steam's customer.
43. **TEXONE \$4,000 Payment to Estes:** On about August 13, 2010, TEXONE submitted false Invoice No. 10-2364 in the amount of \$7,375 to Texas Steam for "Office Repairs" pursuant to a "Verbal Order" by "Marc." The invoice was the Attention of ESTES and referenced "TSE/THE-047."
44. On about September 16, 2010, UOGT issued UOGT Capital One Account No. XXXX8737 Check No. 24494 payable to TEXONE in the amount of \$12,225, which included the payment of \$7,375 for Invoice No. 10-2364.
45. On about September 27, 2010, TEXONE issued TEXONE Compass Check No. 16493 in the amount of \$4,000 to Industrial. ESTES had one of the owners of TEXONE deposit the check into his Industrial Account No. XXXX9055.
46. ESTES used the deposited funds from TEXONE for his personal benefit. Industrial provided no goods or services to TEXONE, Texas Steam, or Texas Steam's customer.
47. **TEXONE \$2,000 Payment to Estes:** On about September 27, 2010, TEXONE submitted false Invoice No. 10-2451 in the amount of \$9,550 to UOGT for "Insulation Materials @ Shell" for Customer P.O. 81343.
48. On about November 4, 2010, UOGT issued Capital One Account No. XXXX8737 Check No. 25088 in the amount of \$13,257 to TEXONE, which included the \$9,550 payment for Invoice No. 10-2451.
49. On about November 12, 2010, TEXONE issued TEXONE Compass Check No. 17274 in the amount of \$2,000 to Industrial. ESTES instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055.
50. Industrial provided no goods or services to TEXONE, Texas Steam, or Texas Steam's customer.
51. **TEXONE \$28,700 in Payment to Estes:** On about December 17, 2010, TEXONE submitted false Invoice No. 10-2650 in the amount of \$11,700 to UOGT for labor and materials pursuant to Purchase Order 81457.

52. On about January 17, 2011, TEXONE submitted false Invoice No. 11-2690 in the amount of \$28,650 to UOGT for Insulation Labor and Materials pursuant to Purchase Order No. 81457.
53. On about February 17, 2011, UOGT issued UOGT Capital One Account No. XXXX8737 UOGT Check No. 27176 in the amount of \$28,650 to TEXONE.
54. On about February 25, 2011, TEXONE issued TEXONE Compass Check No. 18863 in the amount of \$23,500 to Industrial. **ESTES** instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055.
55. On about March 23, 2011, TEXONE issued TEXONE Compass Check No. 19192 in the amount of \$5,200 to Industrial. **ESTES** instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055. Industrial provided no goods or services to TEXONE, Texas Steam, or Texas Steam's customer in exchange for this payment or the \$23,500 payment.
56. From about February 25, 2011, through about March 30, 2011, **ESTES** used the deposited funds for personal use, including his \$5,046.39 payment on a personal loan.
57. **TEXONE \$4,000 Payment to Estes:** On about February 24, 2012, TEXONE submitted false Invoice No. 12-3791 in the amount of \$5,600 to Texas Steam for 16 blankets pursuant to Purchase Order 57457.
58. On about April 13, 2012, Texas Steam issued Capital One Account No. XXXX2489 Check No. 5915 in the amount of \$5,600 to TEXONE.
59. On about April 9, 2012, TEXONE issued TEXONE Compass Check No. 24306 in the amount of \$4,000 to Industrial. **ESTES** instructed one of the owners of TEXONE to deposit the check into his Industrial Account No. XXXX9055. Industrial provided no goods or services to TEXONE, Texas Steam, or Texas Steam's customer in exchange for this payment.
60. Between April 10, 2012, and April 17, 2012, **ESTES** transferred all of the funds to his personal account.
61. **TEXONE \$19,000 Payment to Estes:** On about April 5, 2012, TEXONE submitted false Invoice No. 12-3929 in the amount of \$62,600 to UOGT for insulation materials pursuant to Purchase Order 81888.

62. On about May 17, 2012, UOGT issued UOGT Capital One Account No. XXXX8737 Check No. 31788 in the amount of \$82,695.78, which included the payment of \$62,600 for Invoice No. 12-3929.
63. On about May 23, 2012, TEXONE issued TEXONE Compass Check No. 25122 in the amount of \$19,000 to Industrial. **ESTES** deposited the check into his Industrial Account No. XXXX9055. Industrial provided no goods or services to TEXONE, Texas Steam, or Texas Steam's customer in exchange for this payment.
64. Between May 23, 2012, and about June 14, 2012, **ESTES** transferred approximately \$15,800 of the funds to his personal account. Between about May 22, 2012, and May 25, 2012, **ESTES** made payments to San Jacinto Harley Davidson in the amount of \$15,138.12.
65. The fraud caused by **ESTES** and TEXONE through the scheme totaled

approximately \$133,700, the amount of money TEXONE fraudulently kicked back to **ESTES**.

66. **Fraud Conspiracy Between ESTES and TEXTWO:** Around the time that TEXONE withdrew from illegal kickback scheme, **ESTES** approached TEXTWO and proposed the same type of kickback arrangement he had with TEXONE. **ESTES** arranged with an owner of TEXTWO to send false invoices to Texas Steam in return for a 75% kickback of the invoice amount. TEXTWO retained 25% of the invoice amounts.

67. Between about June 2012, and January 2014, Texas Steam and/or UOGT were engaged in different contracts to provide goods and services. **ESTES** first provided TEXTWO with false Industrial invoices for non-existent services. **ESTES** followed those false invoices with false Texas Steam Purchase Orders. TEXTWO created false invoices for the amounts indicated by **ESTES** which **ESTES** caused to be submitted to Texas Steam. Although TEXTWO never provided any of the goods or services listed in the false invoices, **ESTES** fraudulently manipulated the contracts by adding unnecessary costs and caused payments from Texas Steam to TEXTWO as below described:

68. **Texas Steam Purchase Order 58153/HAT-Q073 Purchase Order 46907/TEXTWO Invoice No. 8356:** On about May 10, 2012, **ESTES** provided TEXTWO with fabricated Industrial Invoice No. 6582 for “Engineering Consulting.” The original invoice for \$19,000 named “Gerald” as a salesperson. The amount of \$19,000 was marked through and replaced with the handwritten amount of \$12,600.
69. On about May 25, 2012, **ESTES** provided TEXTWO with fabricated Texas Steam Purchase Order 58153 for the purchase of 48 insulation jackets for approximately \$16,800. On about June 18, 2012, TEXTWO emailed **ESTES** falsified TEXTWO Invoice No. 8356 for the purchase of 48 insulations jackets in the approximate amount of \$16,800.
70. In about June 2012, **ESTES** finalized Purchase Order 46907 on behalf of Texas Steam for the HAT-Q073 job totaling approximately \$303,600. The bid included no insulation jackets.
71. Texas Steam submitted two invoices to for the HAT-Q073 job, both dated August 13, 2012, for supplying manifolds for the Hatfield Purchase Order 46907. Neither the Hat-Q073 Purchase Order nor the Texas Steam invoices included insulation jackets.
72. On about July 3, 2012, TEXTWO sent Wells Fargo Check No. 34223 in the amount of \$12,600 to Industrial. The amount on the check represented 75% of the amount of the false TEXTWO Invoice No. 8356. On about July 3, 2012, **ESTES** deposited TEXTWO Check No. 34223 into Industrial’s Capital One Account No. XXXX9055.
73. On about July 5, 2012, **ESTES** withdrew \$5,000 in cash from the Industrial account. On about July 6, 2012, **ESTES** made an online transfer in the amount of \$8,000 from his Industrial account to a personal account.
74. On about August 23, 2012, **ESTES** fraudulently caused a false TEXTWO invoice with the notation “HAT-184” to be submitted to Louisiana Steam for payment to TEXTWO. On about August 24, 2012, Louisiana Steam caused a check from Texas Steam to be issued to TEXTWO in the amount of \$16,800.
75. **Texas Steam Purchase Order Nos. 59320 & 59321/THP09112 & #EGTL-6327-FR2400/Charville P.O. #EGTL-6327-PFR2400:** Between about October 31, 2012, and January 11, 2013, Texas Steam submitted a bid for the THP09112 job. The bid included no insulation jackets.

76. On about October 3, 2012, Texas Steam and UOGT presented a proposal on Job No. EGTL-6327-FR2400 to KBR/Charville.
77. On about November 6, 2012, **ESTES** provided TEXTWO with fabricated Texas Steam Purchase Order 59220 for the purchase of tubing, blankets and insulation covers in the approximate amount of \$40,216.
78. On about November 15, 2012, **ESTES** provided TEXTWO with fabricated Texas Steam Purchase Order 59321 for the purchase of insulation wrap in the approximate amount of \$39,000 and referenced KBR-224.
79. On about November 18, 2012, **ESTES** provided TEXTWO with fabricated Industrial Invoice No. 1578-9842 for “Engineering Consulting.” The invoice was for \$33,276 and named “Gerald” as a salesperson.
80. On about November 26, 2012, **ESTES** provided TEXTWO with fabricated Industrial Invoice No. 1578-9839 for “Engineer Consulting.” The invoice was for \$29,250 and named “Gerald” as a salesperson.
81. On about November 27, 2012, TEXTWO sent Industrial Wells Fargo Check No. 34922 in the amount of \$62,526. The amount of the check represented 75% of the Texas Steam Purchase Order Nos. 59220 and 59321.
82. On about November 28, 2012, **ESTES** deposited the TEXTWO check into Industrial’s Capital One Account No. XXXX9055. **ESTES** made two transfers into his personal account at Capital One Account No. XXXX9121 – one for \$30,000, and another for \$33,000.
83. On about November 30, 2012, TEXTWO provided Texas Steam with falsified TEXTWO Invoice No. 8765 for the purchase of tubing, blankets and insulation covers in the approximate amount of \$40,216.
84. On about November 30, 2012, TEXTWO provided Texas Steam with falsified TEXTWO Invoice No. 8766 for the purchase of insulation wrap in the approximate amount of \$39,000 and referenced KBR-224.
85. After **ESTES** fraudulently caused TEXTWO Invoice No. 8765 to be submitted to Louisiana Steam for payment, on about January 11, 2013, Louisiana Steam caused Texas Steam Capital One Account No. XXXX2489 Check No. 007275 in the amount of \$40,216 to be issued to TEXTWO.

86. After **ESTES** fraudulently caused TEXTWO Invoice No. 8766 to be submitted to Louisiana Steam for payment, on about January 18, 2013, Louisiana Steam caused Texas Steam Capital One Account No. XXXX2489 Check No. 007305 in the amount of \$39,000 to be issued to TEXTWO.
87. **Texas Steam Purchase Order 58728/THPO9112/TEXTWO Invoice No. 8728:** On about August 27, 2012, **ESTES** fabricated Purchase Order 58728 to TEXTWO for \$39,200 for the purchase of 112 blankets.
88. On about October 10, 2012, **ESTES** provided TEXTWO with fabricated Industrial Invoice No. 1578-9836 for “Engineering Consulting.” The invoice was for \$29,400 and named “Gerald” as a salesperson.
89. On about October 12, 2012, TEXTWO sent Industrial Wells Fargo Check No. 34718 in the amount of \$29,400. The amount on the check represented 75% of the amount of false TEXTWO Invoice No. 8728.
90. On about October 16, 2012, **ESTES** deposited the TEXTWO check into Industrial’s Capital One Account No. XXXX9055. **ESTES** used \$10,328.85 of the funds to pay off an existing boat loan, he withdrew \$3,000 in cash, and transferred \$12,272.39 to “Capital One Auto Carpay XXX212 JESSE ESTES.”
91. Between about October 31, 2012, and January 11, 2013, Texas Steam submitted a bid for the THEP09112. The bid included no insulation jackets.
92. On about November 15, 2012, TEXTWO provided Texas Steam with falsified TEXTWO Invoice No. 8728 for the purchase of 112 insulations jackets in the approximate amount of \$39,200.
93. On about November 26, 2012, **ESTES** fraudulently caused a false TEXTWO invoice with the notation “THE-214A” to be submitted to Louisiana Steam for payment to TEXTWO. On about December 20, 2012, Louisiana Steam caused Texas Steam Capital One Account XXXX2489 Check No. 7168 to be issued to TEXTWO for Invoice No. 8728 in the amount of \$39,200.
94. **Texas Steam Purchase Order 59706/THP09112/TEXTWO Invoice Nos. 8986 & 8987:** Between about October 31, 2012, and January 11, 2013, Texas Steam submitted a bid for the THP09112 job. The bid included no insulation jackets.

95. On about January 28, 2013, **ESTES** provided TEXTWO with fabricated Texas Steam Purchase Order 59706 for the purchase of 4 insulation jackets and 48 other items for approximately \$2,264.
96. On about February 27, 2013, TEXTWO emailed **ESTES** falsified TEXTWO Invoice No. 8986 for the purchase of four insulation blankets and 48 other items in the approximate amount of \$2,264, referencing "The-214."
97. On about February 21, 2013, **ESTES** emailed TEXTWO fabricated Texas Steam Purchase Order 59899 for the purchase of 10 insulation covers for approximately \$3,500.
98. On about February 27, 2013, TEXTWO emailed **ESTES** falsified TEXTWO Invoice No. 8987 for the purchase of 10 insulation covers for approximately \$3,500.
99. On about February 27, 2013, **ESTES** fraudulently caused the submissions of false TEXTWO Invoice Nos. 8986 and 8987 to Louisiana Steam for payment. On about April 5, 2013, Louisiana Steam issued Check No. 7718 in the amount of \$5,764 from Texas Steam Capital One Account No. XXXX2489 to TEXTWO for Invoice Nos. 8986 and 8987.
100. On about March 8, 2013, **ESTES** fabricated two false bills for Industrial for "Engineering Consulting" subcontracts to be submitted to TEXTWO. One bill was in the amount of \$1,698, and a second bill was in the amount of \$2,625.
101. On about March 8, 2013, TEXTWO sent Wells Fargo Check No. 35409 in the amount of \$4,323 to Industrial. The amount of the check represented 75% of the amounts of false TEXTWO Invoice Nos. 8986 and 8987.
102. On about March 12, 2013, **ESTES** deposited the TEXTWO check into his Industrial Capital One Account No. XXXX9055. From about March 13, 2013, through March 29, 2013, **ESTES** made online transfers of approximately \$4,000 from his Industrial account into his personal account.
103. **Texas Steam Purchase Order THP11693 and UOGT Work Order No. 31532202/TEXTWO Invoice Nos. 9253 and 9412:** On about May 7, 2013, Texas Steam was engaged in a contract to provide goods and services for a third party. The purchase order was comprised of four items and included no thermal or insulating blankets.

104. On about May 8, 2013, ESTES created a handwritten sales worksheet for THE-268 which falsely included TEXTWO as a vendor.
105. On about June 3, 2013, Texas Steam submitted Texas Steam Invoice No. 126977 for Purchase Order THP11693 for goods and services. The invoice included no thermal or insulating blankets.
106. On about June 17, 2013, ESTES created false handwritten Texas Steam Purchase Order 91274 referencing Purchase Order #THP11693 for TEXTWO to order 11 insulation blankets, for \$3,850.
107. On June 18, 2013, ESTES directed an owner of TEXTWO, via email, to invoice Texas Steam for the fabricated purchase order. On about June 18, 2013, TEXTWO submitted false Invoice No. 9253 in the amount of \$3,850 for 11 insulation blankets to Texas Steam. The false TEXTWO invoice noted it was for THE-268.
108. On about July 19, 2013, Texas Steam in New Orleans, Louisiana, sent Texas Steam Capital One Account No. XXXX2489 Check No. 008288 in the amount of \$3,850, as payment for TEXTWO Invoice No. 9253, to TEXTWO.
109. On about July 28, 2013, ESTES submitted fabricated Industrial Invoice No. 1578-9862 to TEXTWO. The invoice specified "Engineering Consulting" in the amount of \$2,887.50.
110. From about August 19, 2013, through about November 30, 2013, Texas Steam and UOGT were engaged in a contract to provide goods and services for a third party.
111. In about September 2013, ESTES submitted fabricated Texas Steam Purchase Order No. 84262 to TEXTWO for the purchase of 39 insulation blankets for \$13,650.
112. On about September 19, 2013, ESTES submitted fabricated Industrial Invoice No. 1578-9875 to TEXTWO which specified "Engineering Consulting" in the amount of \$10,237.50, and named "Gerald" as a salesperson.
113. On about September 20, 2013, TEXTWO submitted false Invoice No. 9412 in the amount of \$13,650 for 39 insulation blankets to UOGT. The false TEXTWO invoice noted UOG Job # 91310001-118 and Purchase Order No. 84262.

114. On about September 20, 2013, TEXTWO sent Wells Fargo Check No. 36139 in the amount of \$13,125 to Industrial. The amount on the check represented 75% of false TEXTWO Invoice Nos. 9412 and 9253. On September 23, 2013, ESTES deposited the TEXTWO check into Industrial's Capital One Account No. XXXX9055. From September 23, 2018, through about November 18, 2018, ESTES transferred approximately \$10,300 from his Industrial account into his personal account.
115. On about October 24, 2013, UOGT in New Orleans, Louisiana, sent TEXTWO UOGT Capital One Acct. No. XXXX8737 Check No. 37762 in the amount of \$13,650, as payment for TEXTWO Invoice No. 9412.
116. **Texas Steam/UOGT Work Order No. 31532202 and #QME-9911-LBP-REV2/ TEXTWO Invoice Nos. 9629 and 9630:** From about August 19, 2013, through about November 30, 2013, Texas Steam and UOGT were engaged in a contract to provide goods and services for a third party.
117. Between about October 16, 2013, and November 14, 2013, UOGT and Texas Steam engaged in a contract based upon Proposal #QME-9911-LBP-Rev2 to TEXONE. The proposal included no thermal blankets.
118. On about November 18, 2013, ESTES caused UOGT to submit falsified Purchase Order No. 84362 to TEXTWO for 27 insulation blankets totaling \$9,450.
119. On November 18, 2013, ESTES caused UOGT to submit falsified Purchase Order 84361 for 17 blankets totaling \$5,950.
120. On about November 25, 2013, ESTES provided TEXTWO fabricated Industrial Invoice No. 1578-9891 in the amount of \$11,550 for "Engineering Consulting."
121. On about November 25, 2013, TEXTWO sent Industrial Wells Fargo Check No. 36417 in the amount of \$11,550 to Industrial. ESTES deposited the TEXTWO check into his Industrial Capital One Account No. XXXX9055. This check represented two kickbacks paid to ESTES' from TEXTWO for false Invoice No. 9630 in the amount of \$4,462.50, and false Invoice No. 9629 in the amount of \$7,087.50, and represented 75% of the false invoices.
122. On about December 13, 2013, TEXTWO submitted false Invoice No. 9630 to UOGT in the amount of \$5,950 for 17 removable covers on UOGT Job No. 01320126.

123. On about January 9, 2014, UOGT in New Orleans, Louisiana, sent UOGT Capital One Check No. 38591 in the amount of \$15,400, which included payment for TEXTWO Invoice Nos. 9629 in the amount of \$9,450, and 9630 in the amount of \$5,590, to TEXTWO located in Texas.

124. The fraud caused by **ESTES** and TEXTWO through the fraudulent kickback scheme totaled approximately \$173,880.

125. **Payment From Texas Steam to Tru-Line:** On about December 6, 2012, **ESTES** fabricated a bid letter from Tru-Line addressed to himself at Texas Steam to provide construction to the Texas Steam facility for \$57,302. On about January 3, 2013, **ESTES** fraudulently obtained approval for the construction project for a total cost of \$209,000, which included his fraudulent bid and a bid from the legitimate contractor on the job. On about January 8, 2013, **ESTES** fraudulently emailed Louisiana Steam requesting the \$57,302 payment to Tru-Line Builders. On January 8, 2013, **ESTES** caused Texas Steam Capital One Account XXXX2489 Check No. 7270 to be issued to Tru-Line. On about January 11, 2013, **ESTES** used the \$57,302 check to open Tru-Line Capital One Account No. XXXX1973. Thereafter, **ESTES** used approximately \$47,000 to pay his personal credit card debt and transferred the remaining \$10,000 into his personal account. Tru-Line provided no services or materials to Texas Steam and performed no construction work related to Texas Steam.

126. **Payment From Texas Steam to Tru-Line:** On about April 5, 2013, **ESTES** fraudulently emailed Louisiana Steam requesting payment to Tru-Line Builders of \$18,000 for additional work on Texas Steam property job. On April 5, 2013, **ESTES** caused Texas Steam Check No. 7749 drawn on Capital One Account No. XXXX2489 to be issued to Tru-Line. On about April 9, 2013, **ESTES** deposited the check into Tru-Line Capital One Account No.

XXXX1973. From the date of the deposit **ESTES** transferred the funds to his personal account, until February 28, 2014, when the last transfer closed the account. Tru-Line provided no services or materials to Texas Steam and performed no construction work related to Texas Steam.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 2- 8

A. AT ALL TIMES MATERIAL HEREIN:

127. The allegations contained in paragraphs 1 – 11 and 13-126 of Count 1 are realleged and incorporated by referenced as though fully set forth herein.

B. WIRE FRAUD

128. On or about the below-listed dates, in the Eastern District of Louisiana and elsewhere, the defendant, **JESSE MARC ESTES**, for the purpose of executing and attempting to execute the scheme and artifice to defraud and for the purpose of obtaining money and property by means of false and fraudulent pretenses, representations and promises, did knowingly cause to be transmitted in interstate commerce certain writing, signs, signals and sounds by means of wire communications in interstate commerce, the writings, signs, signals, pictures, and sounds as described for each count below:

Count	Date	Wire
2	07/12/13	Texas Steam email from MARC ESTES to Texas Steam employees, L.J. and D.B., causing an interstate wire communication from Texas to Louisiana.
3	07/19/13	Texas Steam Capital One Account No. XXXX8691 Check No. 1292 in the amount of \$5,400 paid to Industrial, causing an interstate wire between Texas and Arkansas.
4	08/15/13	Texas Steam Capital One Account No. XXXX2489 Check No. 8288 in the amount of \$3,850 paid to TEXTWO, causing an interstate wire between Louisiana and Georgia.
5	09/12/13	Texas Steam email from Texas Steam employee, M.H., to TEXTWO, causing an interstate wire communication from Texas to Louisiana.

Count	Date	Wire
6	09/23/13	TEXTWO Wells Fargo Account No. XXXX7856 Check No. 36139 in the amount of \$13,125 paid to Industrial, causing an interstate wire between Texas and Arkansas.
7	11/18/13	Texas Steam email from Texas Steam employee M.H., to TEXTWO, causing an interstate wire communication from Texas to Louisiana.
8	11/25/13	TEXTWO Wells Fargo Account No. XXXX7856 Check No. 36417 in the amount of \$11,550 paid to Industrial, causing an interstate wire between Texas and Arkansas.
9	11/29/13	UOGT Capital One Account No. XXXX8737 Check No. 37762 in the amount of \$13,650 paid to TEXTWO, causing an interstate wire between Louisiana and Georgia.
10	12/18/13	Texas Steam email from Texas Steam employee M.H., to Louisiana Steam employee, K.A., causing an interstate wire communication from Texas to Louisiana.
11	01/22/14	UOGT Capital One Account No. XXXX8737 Check No. 38591 in the amount of \$15,400, causing an interstate wire communication from Louisiana to Georgia.

All in violation of Title 18, United States Code, Sections 1343 and 2.

NOTICE OF WIRE FRAUD FORFEITURE

1. The allegations of Counts 1 – 11 of this Indictment 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, Sections 1349, 1343 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c).

2. As a result of the offenses alleged in Counts 1 - 11, defendant, **MARC JESSE ESTES**, shall forfeit to the United States pursuant to Title 18, United States Code, Sections 1349, 1343 and 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 violations of Title 18, United States Code, Sections 1349 and 1343.

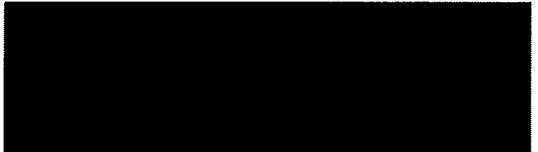
3. If any of the property subject to forfeiture pursuant to paragraph 2 of this Notice of Forfeiture, as a result of any act or omission of the defendant:

- 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 defendant up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Sections 1349, 1343 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c).

A TRUE BILL:



DUANE A. EVANS
UNITED STATES ATTORNEY


PATRICE HARRIS SULLIVAN
Chief, Criminal Division
Assistant United States Attorney
La. Bar. Roll No. 14987

New Orleans, Louisiana
June 7, 2018