

FELONY

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

INDICTMENT FOR CONSPIRACY, SOLICITING AND
DEMANDING PAYMENT IN ASSOCIATION WITH A
PROGRAM RECEIVING FEDERAL FUNDS, THEFT OF
FEDERAL FUNDS, AND OBSTRUCTION OF JUSTICE

UNITED STATES OF AMERICA	*	CRIMINAL NO.
v.	*	SECTION:
STACEY JACKSON	*	VIOLATION: 18 U.S.C. § 371
	*	18 U.S.C. § 666
	*	18 U.S.C. § 641
	*	18 U.S.C. § 1503
	*	*

The Grand Jury charges that:

COUNT 1

A. AT ALL MATERIAL TIMES HEREIN:

New Orleans Affordable Homeownership

1. Prior to August 2005, the City of New Orleans contracted with New Orleans Affordable Homeownership ("NOAH"), a city agency and non-profit corporation, to help repair and remediate residential properties owned by low to moderate income individuals. The program was designed to address blight in the New Orleans metropolitan area. Primarily, NOAH provided

paint supplies, painting service and roofing materials to eligible program participants.

2. On or about August 29, 2005, Hurricane Katrina made landfall in the New Orleans, Louisiana area, and, as a result, damaged and destroyed homes in the New Orleans metropolitan area. Hurricane Katrina further exacerbated the blight problem in the City of New Orleans and created even more of an urgency to repair and remediate blighted homes.

3. To that end, in January of 2006, the City of New Orleans entered into a one-year contract with NOAH expanding the scope of its previous agreements to include gutting services. The program, called the Mayor's Home Remediation Program, still provided painting and roofing services to qualified individuals; however, post-Hurricane Katrina, NOAH began providing gutting services to homeowners whose homes were damaged by the storm. Gutting services included the complete gutting of a home, pressure washing the exterior, securing the home by boarding windows and doors, and grass cutting. In January of 2007, the City of New Orleans renewed its one-year agreement for home remediation services, including gutting, roofing, and painting.

4. Prior to and after August 29, 2005, the date Hurricane Katrina made landfall, the defendant, **STACEY JACKSON**, was the Executive Director of NOAH. As the Executive Director of NOAH, **STACEY JACKSON** was an agent of the organization, and had the following responsibilities, among others: (1) supervised the rehabilitation of properties; (2) managed professional service agreements; (3) supervised services provided by contractors; and (4) supervised all staff persons at New Orleans Affordable Homeownership. As NOAH's Executive Director, the defendant, **STACEY JACKSON**, was responsible for the day-to-day management of the contractors and made the decision of how much work each contractor would get.

Housing and Urban Development Community Development Block Grants

5. Prior to and after August 2005, the United States Department of Housing and Urban Development (“HUD”), an agency and department of the United States, awarded federally funded grants annually to the City of New Orleans in the form of Community Development Block Grants (the “CDBG program”). The primary objectives of the CDBG program were to develop viable communities by the provision of housing and a suitable living environment principally for low to moderate income households. A program qualified for CDBG funds if it met at least one of the following objectives: (1) to benefit low and moderate income persons, (2) to prevent slums or blight, and (3) to meet urgent needs that pose an immediate threat to a community. At least 70% of the funds must have gone toward the first objective, to benefit low and moderate income persons.

6. In 2005, 2006, and 2007, CDBG program money funded NOAH’s activities through yearly contracts between the City of New Orleans and NOAH. Under these agreements, NOAH was entitled to receive \$880,000 per year in federal money to support its home remediation work. In exchange for the CDBG money, NOAH agreed to provide the remediation services and satisfy certain CDBG program requirements.

7. From 2005 through 2008, NOAH received federal funds from HUD in the form of CDBG money in excess of \$10,000 per year.

8. Among other things, NOAH agreed with the City of New Orleans and HUD to keep detailed records supporting the work it performed, including all source documents evidencing eligible and authorized expenditures, and demographic information, including race, age and income level of participants in the remediation programs.

NOAH Contractors

9. Under its agreements with the City of New Orleans to receive CDBG money for the years 2005, 2006, and 2007, NOAH was required to hire contractors through a competitive bidding process.

10. In 2005, 2006, 2007, the defendant, **STACEY JACKSON**, represented to the City of New Orleans and HUD, on behalf of NOAH, that the following businesses were qualified NOAH contractors:

- a. Parish-Dubuclet Services, Inc. ("Parish-Dubuclet").
- b. Myers & Sons, Inc. ("Myers and Sons").
- c. Excel Development Corporation ("Excel Development").
- d. Hall Enterprises, owned and operated by Richard Hall.

Parish-Dubuclet Services, Inc.

11. Prior to Hurricane Katrina and continuing through in or near August of 2008, Parish-Dubuclet was owned and operated by Trellis Smith.

12. Parish-Dubuclet worked exclusively as a contractor for NOAH and engaged in home remediation work.

13. From in or near October 2005 to in or near August 2008, NOAH paid Trellis Smith, operating as Parish-Dubuclet, more than \$350,000 for remediation work, making Parish-Dubuclet the third highest paid contractor employed by NOAH to rehabilitate homes after Hurricane Katrina.

14. From in or near August of 2005 to in or near September of 2009, Trellis Smith, also worked as the business partner of the defendant, **STACEY JACKSON**, in connection with her

business located in The Shops at Canal Place, on Canal Street, in New Orleans, Louisiana.

Myers and Sons

15. In 2005, 2006, and 2007, Excel Development and Myers & Sons were approved NOAH Contractors.

16. Prior to Hurricane Katrina and through in or around 2008, Myers and Sons was owned and operated by Earl Myers.

Excel Development

17. Prior to Hurricane Katrina and continuing through in or near August of 2008, Excel Development was owned and operated by Earl Myers.

18. From in or near May of 2006 to in or near July 2008, Earl Myers and his corporations Myers and Sons and Excel Development were paid more than \$500,000 by NOAH.

B. THE CONSPIRACY:

From in or near January 2005 through in or near August 2008, in the Eastern District of Louisiana, the defendant, **STACEY JACKSON**, did knowingly and willfully combine, conspire, and confederate and agree with Trellis Smith, Earl Myers, Individual A, and others known and unknown to the Grand Jury to:

1. corruptly solicit, demand, accept, and agree to accept something of value from Trellis Smith, Earl Myers, and others known and unknown to the Grand Jury, with the intention of being influenced and rewarded in connection with a business, transaction, and series of transactions of NOAH, an agency which contracted with the City of New Orleans and HUD, which received benefits in excess of \$10,000 in each year from January 2005 to August 2008 under a

Federal program, involving a value of \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(1)(B); and,

2. embezzle, steal, purloin, and knowingly convert to personal use money and things of value to the United States and its agency the Department of Housing and Urban Development, in violation of Title 18, United States Code, Section 641.

C. OVERT ACTS:

In furtherance of the conspiracy and to effect the objects of the conspiracy, the following overt acts, among others, were committed in the Eastern District of Louisiana and elsewhere:

1. In or near October 2005, the defendant, **STACEY JACKSON**, wrote a check from NOAH to Parish Dubuclet for approximately \$15,260, which was deposited into a Liberty Bank account belonging to Trellis Smith and his company, Parish Dubuclet.
 - a. On or about October 8, 2005, Parish Dubuclet wrote a check in the amount of \$10,460 to **STACEY JACKSON'S** father, which was deposited into a Hibernia Bank account that the defendant, **STACEY JACKSON**, controlled jointly with her father.
 - b. On or about October 10, 2005, the defendant, **STACEY JACKSON**, used this money to pay a tree removal service to remove a tree from her mother's property in New Orleans.
2. On numerous occasions from in or near April 2006 through in or near November 2007, the defendant, **STACEY JACKSON**, and Trellis Smith agreed that Smith would be paid an "overpayment" in each NOAH check that exceeded the amount of money Smith was owed for work that he or his subcontractors actually or purportedly performed on home remediation for NOAH.
 - a. Specifically, each NOAH check included an overpayment of money which the defendant, **STACEY JACKSON**, Trellis Smith, as well as others, knew could not be substantiated by invoices or work actually performed.
 - b. It was part of the agreement between **STACEY JACKSON** and Trellis Smith that Smith would give a portion of this overpayment to **STACEY JACKSON** as a

“kickback,” thus ensuring that Trellis Smith would continue to get work from NOAH.

3. On two occasions in or near January of 2005, the defendant, **STACEY JACKSON**, gave Earl Myers a check from NOAH and told him to cash it and give her the money. The defendant, **STACEY JACKSON**, wanted Earl Myers to cash the check through his account so that the NOAH funds could not be traced back to her. Earl Myers agreed to cash the checks because he understood that if he did not, the defendant, **STACEY JACKSON**, would not use him as a NOAH contractor.
4. In or near April of 2005, the defendant, **STACEY JACKSON**, asked Earl Myers to purchase property owned by NOAH and located on Bayou Road in New Orleans, Louisiana in the name of Earl Myers’s company, Excel Development.
 - a. The defendant, **STACEY JACKSON**, and Earl Myers agreed that the property would be kept in the name of Excel Development, but that **STACEY JACKSON** would pay for the purchase and the property taxes. It was part of the agreement between the defendant, **STACEY JACKSON**, and Earl Myers that the Bayou Road Property would actually belong to **STACEY JACKSON** so that she could develop the property. Both the defendant, **STACEY JACKSON**, and Earl Myers understood that title to the property could not be in **STACEY JACKSON’S** name because of her status as the Executive Director of NOAH.
 - b. On or about March 22, 2005, the defendant, **STACEY JACKSON**, paid Earl Myers approximately \$32,016.70 with a check drawn on the NOAH account. On or about April 8, 2005, Earl Myers used approximately \$15,000 of this money to purchase the Bayou Road property from NOAH on **STACEY JACKSON’S** behalf.
 - c. On or about April 15, 2005, the defendant, **STACEY JACKSON**, signed the closing documents for this transaction on behalf of NOAH; Earl Myers signed the closing documents on behalf of Excel Development.
 - d. Earl Myers agreed to put the Bayou Road properties in his company’s name because he understood that if he did not put the properties in his name, the defendant, **STACEY JACKSON**, would not use him as a NOAH contractor.
5. From in or near December of 2006 through in or near July of 2007, the defendant, **STACEY JACKSON**, contracted with Earl Myers to renovate properties that she owned, which were located on 6th Street and Danneel Street in New Orleans, Louisiana. The defendant, **STACEY JACKSON**, paid Earl Myers more than \$90,000 to complete the renovation project. The defendant, **STACEY JACKSON**, used public funds

belonging to the United States and distributed to NOAH to pay Earl Myers a portion of the money she owed him.

6. On numerous occasions from in or near April 2006 through in or near July 2008, Earl Myers corruptly agreed with the defendant, **STACEY JACKSON**, that Myers would be paid an "overpayment" in numerous NOAH checks that exceeded the amount of money he or his companies Myers and Sons or Excel Development were owed for work that he and his subcontractors actually performed on home remediation.
 - a. Specifically, various NOAH checks included an overpayment that the defendant, **STACEY JACKSON**, and Earl Myers knew could not be substantiated by invoices or work actually performed.
 - i. In or near August 2008, upon learning of a Grand Jury subpoena for records relating to NOAH payments to Earl Myers and his companies, the defendant, **STACEY JACKSON**, with the knowledge and assistance of others known and unknown to the Grand Jury, fabricated documents and invoices that purported to prove and establish that Earl Myers has actually performed work that would justify all the money NOAH had paid to him.
 - ii. The documents and invoices that the defendant, **STACEY JACKSON**, created were delivered to Earl Myers by Individual A, a person **STACEY JACKSON** knew personally.
 - b. It was part of the agreement between the defendant, **STACEY JACKSON**, and Earl Myers that Myers would give a portion of these overpayments to **STACEY JACKSON** as "kickbacks," thus ensuring that Earl Myers would continue to get work from NOAH.
7. On or about November 1, 2007, the defendant, **STACEY JACKSON**, wrote out a check, drawn on NOAH's account, payable to Myers & Sons, for approximately \$47,899.50 and instructed Myers to give portions of this money to different entities and individuals that she knew or was affiliated with.
 - a. The defendant, **STACEY JACKSON**, instructed Earl Myers to "kickback" a portion of this money to her by having Myers write a check out to a school with which **STACEY JACKSON** was affiliated.
 - b. Earl Myers understood that "kicking back" a portion of the NOAH check for **STACEY JACKSON'S** benefit would ensure that he would continue getting NOAH remediation work assignments from the defendant.

8. On or about November 1, 2007, the defendant, **STACEY JACKSON**, wrote out a check, drawn on NOAH's account, payable to Excel Development Corp., for approximately \$32,842.50 and instructed Earl Myers to give portions of this money to different entities and individuals that she knew or was affiliated with.
 - a. The defendant, **STACEY JACKSON**, instructed Earl Myers to "kickback" a portion of this money to her by having Myers write two (2) checks payable to Individual A, a person whom the defendant, **STACEY JACKSON**, knew personally and to whose checking account she had access.
 - b. Pursuant to **STACEY JACKSON'S** instructions, on or about November 2, 2007, Earl Myers wrote a check out to Individual A for approximately \$7,000.00 and cashed an additional check for approximately \$3,000.00 in compliance with the defendant's instructions.
 - c. Also, pursuant to **STACEY JACKSON'S** instructions, on or about November 9, 2007, Earl Myers wrote a check out to Individual A for approximately \$9,400.00.
9. On or about April 29, 2008, the defendant, **STACEY JACKSON**, wrote out a check, drawn on NOAH's account, payable to Myers & Sons, for approximately \$31,670.00 and instructed Myers to give portions of this money to different entities and individuals that she knew or was affiliated with.
 - a. The defendant, **STACEY JACKSON**, instructed Earl Myers to "kickback" a portion of this money to her by paying a landscaper \$4,100 to work on **STACEY JACKSON'S** mother's home in New Orleans, Louisiana and writing a check out to a school with which **STACEY JACKSON** was affiliated.
 - b. After "kicking back" a portion of the money and pursuant to **STACEY JACKSON'S** instructions, Earl Myers kept approximately \$7,500 of the NOAH money, above and beyond the amount he earned in connection with work he did to remediate NOAH properties.
 - c. Earl Myers understood that "kicking back" a portion of the NOAH check for **STACEY JACKSON'S** benefit would ensure that he would continue getting NOAH remediation work assignments from the defendant.
10. On or about May 22, 2008, the defendant, **STACEY JACKSON**, wrote out a check, drawn on NOAH's account, payable to Myers and Sons for approximately \$16,420.80 and instructed Earl Myers to give portions of this money to different entities and individuals that **STACEY JACKSON** knew or was affiliated with.
 - a. The defendant, **STACEY JACKSON**, instructed Earl Myers to "kickback" a portion of this money to her by having him cash the check and provide the defendant, **STACEY JACKSON**, with half the proceeds.

- b. Pursuant to **STACEY JACKSON'S** instructions, on or about June 6, 2008, Earl Myers wrote a check out to Cash for approximately \$8,000.00 and provided the proceeds to the defendant, **STACEY JACKSON**.
 - c. Earl Myers understood that "kicking back" a portion of the NOAH check for **STACEY JACKSON'S** benefit would ensure that he would continue getting NOAH remediation work assignments from the defendant.
11. On or about May 26, 2008, the defendant, **STACEY JACKSON**, wrote out a check, drawn on NOAH's account, payable to Excel Development for approximately \$19,528.00 and instructed Earl Myers to give portions of this money to different entities and individuals that **STACEY JACKSON** knew or was affiliated with.
- a. The defendant, **STACEY JACKSON**, instructed Earl Myers to "kickback" a portion of this money to her by having him pay a landscaper approximately \$3,000 for work performed on her mother's home in New Orleans, Louisiana, which Earl Myers did, on or about June 6, 2008, pursuant to **STACEY JACKSON'S** instructions.
 - b. Additionally, and pursuant to **STACEY JACKSON'S** instructions, on or about June 6, 2008, Earl Myers wrote a check out to Cash for approximately \$4,000.00 and provided the proceeds to the defendant, **STACEY JACKSON**.
 - c. Earl Myers understood that "kicking back" a portion of the NOAH check for **STACEY JACKSON'S** benefit would ensure that he would continue getting NOAH remediation work assignments from the defendant.

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

COUNT 2

AGENT OF AN ORGANIZATION RECEIVING FEDERAL FUNDS SOLICITING OR ACCEPTING A BRIBE

- A. The allegations in Count 1 are hereby realleged and incorporated herein by reference.
- B. Between on or about May 26, 2008 and on or about June 6, 2008, in the Eastern District of Louisiana, defendant **STACEY JACKSON** did knowingly and corruptly solicit, demand, accept or agree to accept, a thing of value from Earl Myers, intending to be influenced and rewarded in connection with giving continued business and remediation work in connection with the New

Orleans Affordable Homeownership program, involving something of value of \$5,000 or more.

All in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

COUNT 3
THEFT OF PUBLIC MONEY

A. The allegations in Count 1 are hereby realleged and incorporated herein by reference.

B. Between on or about May 26, 2008 and on or about June 6, 2008, in the Eastern District of Louisiana, the defendant, **STACEY JACKSON**, did willfully and knowingly embezzle, steal, purloin, and convert to her own use, money and funds belonging to the United States, namely its agency the Department of Housing and Urban Development, by writing a check for approximately \$19,528.80 from a NOAH bank account, which she controlled and which had received the funds belonging to the United States, to Excel Development Corporation, a company owned by Earl Myers, an amount of money that she knew Excel Development had not earned, and thereafter did receive a portion of those funds in the form of cash and other things of value from Earl Myers.

All in violation of Title 18, United States Code, Section 641.

COUNT 4
OBSTRUCTION OF JUSTICE

In or near August 2008, the defendant, **STACEY JACKSON**, along with others known and unknown to the Grand Jury, did corruptly obstruct, influence or impede an official proceeding, specifically, testimony and document returns before a Federal Grand Jury, by submitting false and forged invoices of work purportedly done by NOAH contractors in response to Grand Jury subpoenas.

All in violation of Title 18, United States Code, Section 1503(a).

NOTICE OF FORFEITURE

1. The allegations contained in Counts 1 through 4 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 371, 641, 666(a)(1)(B), and 1503(a), as set forth in Counts 1 through 4 of this Indictment, the defendant, **STACEY JACKSON**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses.

3. If any of the property described above, 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 party;
- 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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United

States Code, Section 2461(c).

A TRUE BILL:

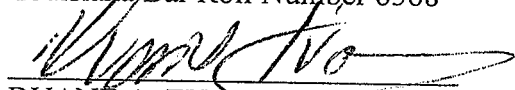
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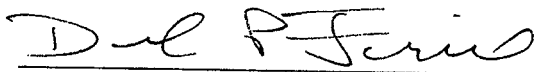
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New Orleans, Louisiana
June 6, 2013