

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

INDICTMENT FOR THEFT CONCERNING PROGRAMS
RECEIVING FEDERAL FUNDS, MONEY LAUNDERING, STRUCTURING
TRANSACTIONS TO EVADE REPORTING REQUIREMENTS,
AND NOTICE OF FORFEITURE

UNITED STATES OF AMERICA	*	CRIMINAL NO.
v.	*	SECTION:
VANDALE THOMAS	*	VIOLATIONS: 18 U.S.C. § 666(a)(1)(A)
	*	18 U.S.C. § 1957
	*	31 U.S.C. § 5324(a)(3)
	*	*
	*	*

The Grand Jury charges that:

COUNT 1

THEFT CONCERNING PROGRAMS RECEIVING FEDERAL FUNDS

A. AT ALL TIMES MATERIAL HEREIN:

1. The City of New Orleans is a municipality located within the State of Louisiana and the Eastern District of Louisiana.
2. The City of New Orleans Traffic Court ("Traffic Court") is a department of the City of New Orleans.

3. The City of New Orleans received federal assistance in excess of \$10,000.00 annually during each of the one year periods beginning on January 1st and ending on December 31st for the years 2009, 2010, and 2011.

4. New Orleans Traffic Court processes and adjudicates traffic violations issued by the New Orleans Police Department and other policing authorities for violations of City ordinances and state law within the City of New Orleans.

5. In on or about November 2008, Traffic Court agreed to hire the defendant, **VANDALE THOMAS ("THOMAS")**, to perform "accounting services" for Traffic Court.

6. During the period of November 2008 through December 2011, **THOMAS** was the Chief Financial Officer for Traffic Court and as such was an agent of the City of New Orleans Traffic Court.

7. On or about March 2, 2009, defendant **THOMAS** registered a business entitled Thomas & Thomas Accounting Services LLC ("Thomas & Thomas") with the State of Louisiana Secretary of State. **THOMAS** listed himself as the registered agent and listed himself and his wife as the sole officers of Thomas & Thomas.

8. On or about November 24, 2008, **THOMAS** and Traffic Court executed a written agreement or "engagement letter" which provided that **THOMAS** shall be paid \$75.00 an hour and his total compensation "shall not exceed \$75,000.00 for a twelve (12) month period."

9. On or about October 7, 2009, Traffic Court and **THOMAS** entered into a second written agreement or "engagement letter" authorizing **THOMAS** to bill Traffic Court an additional \$90,000.00.

10. On or about January 6, 2010, Traffic Court and **THOMAS** entered into a third written agreement for **THOMAS** to “conduct financial services” for Traffic Court. The January 6, 2010 agreement authorized **THOMAS** to bill Traffic Court an additional \$84,000.00.

11. On or about April 29, 2010, the City of New Orleans authorized Traffic Court to compensate **THOMAS** an additional \$150,000.00.

12. On or about November 18, 2010, Traffic Court and **THOMAS** entered into a fourth written agreement or “engagement letter” authorizing **THOMAS** to bill Traffic Court an additional \$96,000.00.

13. On or about April 13, 2011, Traffic Court and **THOMAS** entered into a fifth written agreement or “addendum” authorizing **THOMAS** to bill Traffic Court an additional \$132,000.00.

14. All of **THOMAS**'s written agreements with Traffic Court contained the following provision: “[i]f significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.” The agreements continued, “[i]f the need for additional services arises, the agreement will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter.”

15. Due to a lack of controls and oversight at Traffic Court, from on or about November 24, 2008, to on or about December 5, 2011, **THOMAS** entered and reconciled all accounting entries for Traffic Court, back dated checks, and generated payments for **THOMAS** and his business, Thomas & Thomas.

16. From on or about November 24, 2008, to December 5, 2011, the City of New Orleans and Traffic Court agreed to compensate **THOMAS** for “accounting services” and “financial services” not to exceed \$627,000.00.

17. From on or about November 24, 2008, to December 5, 2011, **THOMAS** submitted more than 170 invoices alleging he had performed over \$1.3 million dollars in “accounting services” and “financial services” for the City of New Orleans and Traffic Court.

18. The City of New Orleans and its department, Traffic Court, paid **THOMAS** approximately \$1,311,065.53 as a result of the more than 170 invoices submitted by **THOMAS**.

B. THE OFFENSE:

Beginning on or about January 1, 2009, and continuing to on or about December 31, 2011, in the Eastern District of Louisiana and elsewhere, defendant **VANDALE THOMAS**, an agent of the City of New Orleans, a municipality which received federal benefits in excess of \$10,000.00 in a one-year period, did knowingly embezzle, steal, obtain by fraud and otherwise without authority convert to the use of a person other than the rightful owner, property valued at \$5,000.00 or more and owned by, or under the care, custody, and control of the City of New Orleans, in that **THOMAS** submitted grossly inflated invoices to New Orleans Traffic Court and was paid approximately \$684,065.53 that he was not entitled, in violation of Title 18, United States Code, Section 666(a)(1)(A)(i)(ii).

COUNTS 2 - 3

MONEY LAUNDERING – CASINO

A. The allegations contained in Part A of Count 1 are hereby re-alleged and incorporated as if fully set forth herein.

1. **THOMAS** had bank accounts with Liberty Bank and Trust Company (“Liberty Bank”). Liberty Bank is a “financial institution” as that term is defined in Title 31, United States Code, Section 5312(a)(2), the deposits of which are insured by the Federal Deposit Insurance Corporation.

2. Harrah’s New Orleans (“Harrah’s”) operates a casino in New Orleans, Louisiana.

3. Harrah’s is a “financial institution” as that term is defined in Title 31, United States Code, Section 5312(a)(2).

4. Harrah’s is a licensed casino under the laws of the State of Louisiana with an annual gaming revenue of more than \$1,000,000.00.

B. THE OFFENSE:

On or about the dates listed below, in the Eastern District of Louisiana and elsewhere, defendant **VANDALE THOMAS** did knowingly engage and attempt to engage in monetary transactions by, through, or to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000.00, that is, **THOMAS** purchased casino chips, tokens, and other gaming instruments (“casino chips”) with funds having been derived from a specified unlawful activity, that is, theft concerning programs receiving federal funds.

COUNT NO.	TYPE OF MONETARY TRANSACTION	TRANSACTION AMOUNT	RECIPIENT OF FUNDS	DATE OF TRANSACTION
2	Purchase of Casino Chips	\$10,180.00	Harrah’s Casino New Orleans, LA	9/14/2010
3	Purchase of Casino Chips	\$10,200.00	Harrah’s Casino New Orleans, LA	9/24/2010

All in violation of Title 18, United States Code, Section 1957.

COUNT 4

MONEY LAUNDERING – PURCHASE OF BENTLEY GT COUPE

A. The allegations contained in Part A of Count 1 and Part A of Counts 2 - 3 are hereby re-alleged and incorporated as if fully set forth herein.

B. THE OFFENSE:

On or about the date listed below, in the Eastern District of Louisiana and elsewhere, defendant **VANDALE THOMAS** did knowingly engage and attempt to engage in monetary transactions by, through, or to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000.00, that is, **THOMAS** purchased a 2005 Bentley GT Coupe worth approximately \$80,000.00 with funds having been derived from a specified unlawful activity, that is, theft concerning programs receiving federal funds.

COUNT NO.	TYPE OF MONETARY TRANSACTION	TRANSACTION AMOUNT	RECIPIENT OF FUNDS	DATE OF TRANSACTION
4	Transfer from Liberty Bank	\$11,680.00	DC Motors, Inc. Bank of America Account	10/21/2010

All in violation of Title 18, United States Code, Section 1957.

COUNTS 5 - 10

STRUCTURING TRANSACTIONS TO EVADE REPORTING REQUIREMENTS

A. The allegations contained in Part A of Count 1 and Part A of Counts 2 - 3 are hereby re-alleged and incorporated as if fully set forth herein.

1. Title 31, United States Code, Section 5313 and regulations implemented pursuant to that section require financial institutions that engage in a currency transaction (*i.e.*, a deposit

or withdrawal) in excess of \$10,000.00 with a customer to report the transaction to the Internal Revenue Service ("IRS") on Form 4789, Currency Transaction Report ("CTR").

2. CTRs are required to contain information regarding the identification of the individual depositing or withdrawing more than \$10,000.00 in cash into or from a financial institution.

3. A person structures a transaction if that person conducts one or more currency transactions in any amount, at one or more financial institutions, on one or more days, in any manner, for the purpose of evading reporting requirements.

4. "In any manner" includes, but is not limited to, the breaking down of a single sum of currency exceeding \$10,000.00 into smaller sums, including sums at or below \$10,000.00, or the conduct of a transaction, or series of currency transactions at or below \$10,000.00.

5. The transaction or transactions need not exceed the \$10,000.00 reporting threshold at any single financial institution on any single day in order to constitute structuring.

B. THE OFFENSE:

On or about the dates listed below, in the Eastern District of Louisiana and elsewhere, defendant **VANDALE THOMAS**, knowingly and for the purpose of evading the reporting requirements of Section 5313(a) of Title 31, United States Code, and the regulations prescribed thereunder, knowingly structured and attempted to structure currency transactions with one or more domestic financial institutions by withdrawing United States currency and cashing personal checks to obtain United States currency in increments less than \$10,000.00 in order to evade Liberty Bank's legal obligation to report transactions in excess of \$10,000.00 according to the schedule below:

COUNT NO.	DATE OF TRANSACTION	DESCRIPTION OF TRANSACTION	AMOUNT OF CASH WITHDRAWAL
5	1/12/2010	THOMAS deposited a \$6,975.00 Traffic Court check at the Liberty Bank branch located on Canal St. in New Orleans and at the time of the deposit made a \$3,000.00 cash withdrawal.	\$3,000.00
	1/13/2010	THOMAS deposited an \$8,400.00 Traffic Court check at the Liberty Bank branch located on Canal Street in New Orleans and at the time of the deposit made a \$3,000.00 cash withdrawal.	\$3,000.00
	1/14/2010	THOMAS cashed a \$7,500.00 personal check at the Liberty Bank branch located on Crowder Blvd. in New Orleans.	\$7,500.00
			Total \$13,500.00
6	3/8/2010	THOMAS deposited a \$7,360.00 Traffic Court check at the Liberty Bank branch located on Canal St. in New Orleans and at the time of the deposit made a \$4,300.00 cash withdrawal.	\$4,300.00
	3/9/2010	THOMAS cashed a \$7,500.00 personal check at the Liberty Bank branch located on Perkins Rd. in Baton Rouge.	\$7,500.00
			Total \$11,800.00

COUNT NO.	DATE OF TRANSACTION	DESCRIPTION OF TRANSACTION	AMOUNT OF CASH WITHDRAWAL
7	3/25/2010	THOMAS deposited an \$8,160.00 and a \$7,760.00 Traffic Court check at the Liberty Bank branch located on Canal St. in New Orleans and at the time of the deposit made a \$6,920.00 cash withdrawal.	\$6,920.00
	3/26/2010	THOMAS cashed a \$7,500.00 personal check at the Liberty Bank branch located on Gen. DeGaulle in New Orleans.	\$7,500.00
			Total \$14,420.00
8	5/12/2010	THOMAS deposited a \$6,640.00 Traffic Court check at the Liberty Bank branch located on Canal St. in New Orleans and at the time of deposit made a \$3,000.00 cash withdrawal.	\$3,000.00
	5/13/2010	THOMAS cashed a \$6,500.00 personal check at the Liberty Bank branch located on Perkins Road in Baton Rouge.	\$6,500.00
	5/14/2010	THOMAS cashed a \$5,000.00 personal check at the Liberty Bank branch located on Perkins Road in Baton Rouge.	\$5,000.00
			Total \$14,500.00

COUNT NO.	DATE OF TRANSACTION	DESCRIPTION OF TRANSACTION	AMOUNT OF CASH WITHDRAWAL
9	11/2/2010	THOMAS deposited an \$8,400.00 Traffic Court check at the Liberty Bank branch located on Perkins Road in Baton Rouge.	
	11/2/2010	THOMAS cashed a \$2,500.00 personal check at the Liberty Bank branch located on Canal St. in New Orleans.	\$2,500.00
	11/3/2010	THOMAS cashed a \$1,500.00 personal check at the Liberty Bank branch located on Canal St. in New Orleans.	\$1,500.00
	11/3/2010	THOMAS cashed a \$6,500.00 personal check at the Liberty Bank branch located on Gen. DeGaulle in New Orleans.	\$6,500.00
			Total \$10,500.00
10	11/23/2010	THOMAS deposited a \$9,200.00 Traffic Court check at the Liberty Bank branch located on Canal Street in New Orleans.	
	11/23/2010	THOMAS cashed a \$7,000.00 personal check at the Liberty Bank branch located on Crowder Blvd. in New Orleans.	\$7,000.00
	11/24/2010	THOMAS cashed a \$7,000.00 personal check at the Liberty Bank branch located on Perkins Road in Baton Rouge.	\$7,000.00
			Total \$14,000.00

All in violation of Title 31, United States Code, Section 5324(a)(3) and Title 31, Code of Federal Regulations, Chapter X (eff. Mar. 1, 2011) (formerly Title 31, Code of Federal Regulations, Part 103).

NOTICE OF FEDERAL PROGRAM FRAUD FORFEITURE

1. The allegations of Count 1 of this Indictment are re-alleged 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 666 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 Count 1, defendant **VANDALE THOMAS**, 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 666, including but not limited to:

- a. \$1,311,065.53 in United States Currency and all interest and proceeds traceable thereto.
- b. The government specifically provides notice of its intent to seek a personal money judgment against the defendant in the amount of the fraudulently-obtained proceeds.

3. If any of the property subject to 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.

NOTICE OF MONEY LAUNDERING FORFEITURE

1. The allegations of Counts 2 through 4 of this Indictment are re-alleged 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 982.

2. As a result of the offenses alleged in Counts 2 through 4, defendant **VANDALE THOMAS**, shall forfeit to the United States all property, real or personal, involved in the aforesaid offenses and all property traceable to such property, which was involved in the said violations of Title 18, United States Code, Section 1957.

3. If any of the property subject to 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 18, United States Code, Section 982(b)(1), 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 982.

NOTICE OF STRUCTURING FORFEITURE

1. The allegations of Counts 5 through 10 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 31, United States Code, Sections 5324 and 5317(c)(1).

2. As a result of the offenses alleged in Counts 5 through 10, defendant **VANDALE THOMAS**, shall forfeit to the United States all property, real or personal, involved in the offenses, and any property traceable thereto.

3. If any of the property subject to 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), as incorporated by Title 31, United States Code, Section 5317(c)(1)(B), to seek forfeiture of any

other property of said defendant up to the value of the above forfeitable property.

All in violation of Title 31, United States Code, Sections 5324 and 5317(c)(1).

A TRUE BILL:

FOREPERSON



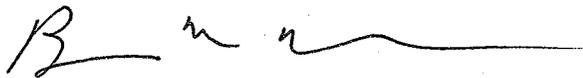
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New Orleans, Louisiana
November 1, 2013