UNITED STATES OF AMERICA	*	**CRIMINAL DOCKET NO. 12-266**
v.	*	**SECTION: "E" (2)**
ANTHONY R. THOMAS	*	

FACTUAL BASIS

If this case were to proceed to trial, the government would prove the defendant guilty beyond a reasonable doubt of Counts 1 -9 of the Superseding Bill of Information filed February 25, 2014. Count 1 charges **ANTHONY R. THOMAS** ("**THOMAS**") with knowingly conspiring with Don M. Andrew, Jr, Albert Brown, Jr., and Anthony Charles Harris and others known and unknown to maliciously damage and attempt to destroy by means of fire, a commercial building on or about, October 15, 2007, and another commercial building on May 3, 2009 and on using fire on those dates to commit wire fraud and mail fraud felonies in violation of 18 U.S.C. § 844(n). Count 2 charges **THOMAS**, and others, known and unknown with conspiracy to commit mail and wire fraud in violation of 18 U.S.C. § 1349. Counts 3-5 charge **THOMAS** and others with wire fraud in violation of 18 U.S.C. § 1343. Counts 6 and 8 charge **THOMAS** and others with the arson of two different buildings used in interstate commerce in violation of 18 U.S.C. § 844(i). Count 7, Charges **THOMAS** and others with use of fire to commit conspiracy to and in committing wire fraud and mail fraud in violation of 18 U.S.C. § 844(h)(1). Count 9 charges **THOMAS** with making a false fictitious and fraudulent material statement to federal agents in violation of 18 U.S.C. § 1001. **THOMAS** has provided

information concerning other activities. The Government would establish the following through reliable and competent testimony and admissible tangible exhibits, including documentary evidence

THE 2007 ARSON AND FRAUD SCHEMES.

In 2007, **ANTHONY R. THOMAS ("THOMAS")** was a co-owner of a duplex residence located at 2233-2235 Harmony Street, New Orleans, Louisiana, consisting of two apartments, which were rental properties, and located in the Eastern District of Louisiana, and which were offered by **THOMAS** for rent and rented in interstate commerce. Don M. Andrew, Jr., ("Andrew") entered into a sham lease agreement with **THOMAS**, dated December 1, 2006, for the apartment bearing the municipal address 2233 Harmony Street, New Orleans, Louisiana. Andrew, prior to October 15, 2007, obtained and owned a renter's insurance policy number ZFI 000857104, issued by Meritplan Insurance Company that insured the personal belongings located in the 2233 Harmony Street apartment and paid emergency living benefits. Albert Brown, ("Brown"), also entered into a sham lease agreement with **THOMAS**, dated November 1, 2006, for the apartment bearing the municipal address 2235 Harmony Street, New Orleans, Louisiana. Brown, prior to October 15, 2007, obtained and owned a renter's insurance policy number ZFI 000857160 issued by Meritplan Insurance Company that insured the personal belongings located in the 2235 Harmony Street apartment and paid emergency living benefits. **THOMAS** owned a Louisiana Citizens Property Insurance Corporation, homeowner's fire policy number FD2007261037200 for the building bearing municipal address 2233 Harmony Street, New Orleans, Louisiana.

THOMAS knew that neither Andrew nor Harris actually resided full time at either apartment and neither maintained valuable personal property at either apartment.

Louisiana Citizens Property Insurance Corporation ("LaCitizens"), a Louisiana company, was a licensed insurance company and wrote policies insuring personal property from fire and other casualty loss. Meritplan Insurance Company ("Meritplan"), a California corporation and an affiliate member of the Balboa Insurance Group ("Balboa"), was a licensed insurance company and wrote policies insuring personal property from fire and other casualty loss.

Meritplan and Balboa maintained a phone and internet network to handle phone calls, claims, document receipt, imaging, and payment processing through a call center located in Chandler, Arizona; a claims center located in Plano, Texas; and a document receipt, scanning and payment processing center at its headquarters in Irvine, California.

American Security Insurance Company ("American Security"), a Delaware company, was a licensed company and wrote policies insuring personal property from fire and other casualty loss.

Quality Research and Replacement Service ("Quality"), provided to Meritplan property valuation and replacement services for fire claims.

THOMAS, the owner and lessor of rental property on Harmony Street in New Orleans, Louisiana, designed and participated in the scheme to defraud the insurance companies under the polices secured by **THOMAS**, Andrews and Brown. **THOMAS** arranged for the arsonist to burn the rental house he owned on October 15, 2007, in order for **THOMAS**, Andrews and Brown to collect under their respective fire insurance policies. **THOMAS** wanted to be paid the value of the property and for loss rental income. **THOMAS** needed rental contracts and part of

his agreement with Andrew and Brown, was that he would aid them in their insurance claims for personal property loss by claiming that he had removed and thrown away their burned property immediately after the fire, thus preventing the insurance companies determination that the claimed loss property was never at the residence and thus was not destroyed in the fire, in exchange for the sham leases and support of his fire policy claims.

In order for the arson, mail fraud, wire fraud and insurance fraud to work Andrew and Brown had to pose as tenants on Harmony Street. Anthony and Brown participated in the scheme to defraud the insurance companies and was aware of the groups plans to commit the arson of the Harmony Street duplex for both their and **THOMAS's** financial advantage.

During the fire at the building containing the municipal addresses 2233 and 2235 Harmony Street, New Orleans, Louisiana, a building used in interstate commerce, a fireman responding to the fire and during his employment in fighting the fire sustained a personal injury causing the filing of an injury claim as a public safety officer performing his duties.

2007 Policies and Claims for the October 15, 2007 Fire, 2233-35 Harmony Street:

On or about December 1, 2006, Wells Fargo Home Mortgage, as mortgagor of 2233-35 Harmony Street purchased a homeowner's fire additional endorsement issued by American Security Insurance Company, for the building bearing municipal address 2233-35, Harmony Street, New Orleans, Louisiana, effective for the time period December 1, 2006 to December 1, 2007 and named its mortgagee **THOMAS** as an additional insured under the assigned policy claim number.

Beginning in September 2007, Andrew and Brown with the knowledge of **THOMAS** agreed to secure individual fire insurance policies in anticipation of the October 15, 2007 arson.

Twenty-six days before the fire, on or about September 18, 2007, **THOMAS** completed a dwelling fire application and secured a homeowner's fire insurance policy issued by LaCitizens bearing policy number FD2007261037200, for the building bearing municipal address 2233 Harmony Street, New Orleans, Louisiana, effective for the time period September 18, 2007 to September 18, 2008 with the intention of filing a fire claim after the arson of the property had been completed. Twenty-five days before the fire, on or about September 19, 2007, Andrew secured renter's insurance policy number ZFI 000857104, issued by Meritplan that insured his personal belongings located in the 2233 Harmony Street apartment and paid emergency living benefits with the intention of filing a fire claim after the arson of the property had been completed. Twelve days before the fire, on or about October 3, 2007, Brown secured renter's insurance policy number ZFI 000857160, issued by Meritplan that insured his personal belongings located in the 2235 Harmony Street apartment and paid emergency living benefits with the intention of filing a fire claim after the arson of the property had been completed.

On October 15, 2007, **THOMAS,** caused an individual to set fire and maliciously damage and destroy the building containing municipal address 2233-35 Harmony Street, New Orleans, Louisiana.

Before the fire, **THOMAS**, admits that he agreed with Andrew and Brown that he would falsely state that, prior to filing their insurance claims, he had removed Brown's and Andrew's personal property on October 17, 2007, while cleaning out the building after the fire. **THOMAS's** goal was to prevent an effective inspection by the insurance company to view the burned property thus assisting Andrew's and Brown's claims of extensive personal property losses for personal property that was not burned in the residence.

After the fire, **THOMAS**, agreed with Andrew and Brown that he would provide photographs he took showing the fire damage to the back of the building and falsely represent to the insurance companies that these photos documented the total loss of the building and its contents and further that he would support their claims by making additional statements to the claim representatives for the insurance companies.

ANDREW's 2007 Fire Claim for 2233 Harmony Street:

On October 18, 2007, Andrew reported via telephone a claim on Policy ZF100857104 as the named insured for fire losses incurred to his personal property located at 2233 Harmony Street through Meritplan's call center located in Chandler, Arizona, and their claims center located in Plano, Texas, causing them to assign claim number HO7008103.

In a phone call originated by the adjuster in Texas made to **THOMAS** in Louisiana on October 18, 2007, **THOMAS** falsely stated in a telephone conversation with the adjuster assigned by Meritplan Insurance Company ("Adjuster") to investigate Brown's and Andrew's claims that he had thrown away all their personal belongings in the building, without telling either of them that he was going to do so.

On October 23, 2007, Meritplan's Claim Representative in Texas, called Andrew in New Orleans, Louisiana, in response to Andrew's claim and took a recorded statement from Andrew wherein Andrew made false statements in support of his fire claims for property he knew was not destroyed in the fire and Andrew requested his advance payment be overnighted to 2744 Orleans Avenue, New Orleans, Louisiana 70119.

Based on the above false representations of Andrew and Thomas, on October 25, 2007, Balboa mailed from Irvine, California, for Meritplan, by United States Mail, a check for $1,250.00 to Andrew as an advance on his fire claim by mailing same to Don M. Andrew Jr., 2744 Orleans Avenue, New Orleans, Louisiana, 70119.

On November 2, 2007, Andrew called from New Orleans, Louisiana to Meritplan's Claim Representative in Texas and made statements in support of his false fire claims for his daughter's clothing.

Based on the false representations made by **THOMAS** and Andrew, the Adjuster on December 4, 2007, prepared and transmitted a report to Meritplan Insurance Company advising, in part, that Andrew had ignored letters sent to him and instead had sent his fire claim loss property list directly to Balboa as representative for Meritplan and attaching photographs provided by **THOMAS** showing the burned out structure as a total loss. The report relied, in part, on **THOMAS'** statements that he had removed the burned personal contents of Andrew and Brown without their knowledge on October 17, 2007.

On December 11, 2007, Meritplan's Claim Representative in Texas called Andrew in Louisiana and told him that additional information was needed to process the claim. Andrew said that he would be sending additional receipts of living expenses including his hotel bills as additional claims for his fire claim loss.

On May 21, 2008, Andrew mailed and caused to be mailed to Balboa Insurance Group, Santa Anna, California, documents making false and fraudulent statements in support of his fire loss claim.

On June 11, 2008, Andrew called from Louisiana to Meritplan's Claim Representative in Texas and requested a status of his claim. In the call, Andrew stated that some of the items he claimed belonged to a client that was relocating and that some of the items were obtained via a FEMA voucher.

On August 5, 2008, Andrew caused to be mailed to Balboa Insurance Group, Santa Anna, California, a falsified handwritten personal property inventory claim form and fire claim documents.

On October 9, 2008, Andrew caused to be faxed from Louisiana to Meritplan's Claim Representative, in Irvine, California, a handwritten fire claim supporting his claim for jewelry subject to his fire loss in the amount of $1,800.00.

On November 26, 2008, Balboa mailed to Andrew at P.O. Box 371, Metairie, Louisiana, payment in the amount of $28,750.00 in full settlement of his fire insurance claim.

BROWN's 2007 Fire Claim for 2235 Harmony Street:

On October 18, 2007, Brown reported via telephone from Louisiana a claim as the named insured for fire losses incurred to his personal property located at 2235 Harmony Street on Policy ZFI 000857160, through Meritplan's call center located in Chandler, Arizona, and their claims center located in Texas, claiming, in part, that he could not stay in the home, causing them to assign claim number HO7008102.

On October 18, 2007, an adjuster for Meritplan, who was located in Garland, Texas, ("Adjuster") called Thomas. Thomas falsely stated in the resulting telephone conversation made to investigate Brown's claims that Thomas had thrown away all Andrew's and Brown's personal belongings in the building, without telling either of them that he was going to do so.

On October 23, 2007, the Adjuster called Thomas. Thomas, falsely stated to the Adjuster that he had been to Brown's unit several times and was able to verify that Brown's list of claimed losses sounded accurate to him and that Brown had his unit decorated and furnished rather well and above average.

Based on the above false representations made by **THOMAS** and Brown, the Adjuster on October 24, 2007, prepared and transmitted a report to Meritplan recommending the immediate payment of an amount to replace the oxygen generating equipment and a total loss amount of $26,269.83, based in part on Brown's hand written list of destroyed items.

Based, in part, on the above false representations, Balboa, in Irvine, California, issued and sent via United States mail, on October 24, 2007, a check in the amount of $750.00 as an advance payment for Brown's claimed losses to his mother's address in New Orleans, Louisiana.

Based, in part, on the above false representations, Balboa re-issued and mailed, via United States mail, from Irvine, California, on November 19, 2007, a check in the amount of $3,600.00 as an advance payment for Brown's claimed losses to Brown in New Orleans, Louisiana.

On December 3, 2007, Brown caused to be faxed from Discovery Group, in New Orleans, Louisiana, to Balboa in California, a handwritten list for itemized clothing subject to the fire claim.

On January 24, 2008, Balboa mailed from Irvine, California, to Brown at his mother's address in New Orleans, Louisiana, a summary of his pending claim payment of $13,393.62, and advising that a check would be sent under separate cover.

On January 24, 2008, Quality Research and Replacement Services "Quality", as agent for Meritplan, replaced electronic equipment valued at $8,985.89 and caused same to be shipped to Brown.

On January 25, 2008, Balboa issued and mailed from Irvine, California, to Brown to his mother's house, New Orleans, Louisiana, payment in the amount of $13,393.62 in partial settlement of his fire insurance claim.

THOMAS' 2007 LaCitizens Fire Claim:

On October 17, 2007, **THOMAS** initiated from his home phone an initial claim for fire damage to his house located at 2233 Harmony Street, with LaCitizen causing it to assign claim number 2007FL006035.

On June 20, 2008, **THOMAS** caused to be filed a lawsuit against LaCitizens making false allegations in support of his fire claim, including a claim for loss of rental profits.

THOMAS' 2007 American Security Fire Claim:

On October 22, 2007, **THOMAS**, reported to American Security Insurance Company, ("American Security") a claim as the named insured for the October 15, 2007, fire losses incurred at 2233-35 Harmony Street on Policy HOC 208860700, effective from December 1, 2006 to December 1, 2007, causing them to assign claim number 0020024608.

On October 30, 2007, the adjuster for American Security Insurance Company inspected the property with **THOMAS**, who provided false information and withheld his involvement in the arson, in support of his fire claim.

On November 1, 2007, **THOMAS** caused to be faxed to an American Security Insurance Company's claim representative a fire prevention receipt and incident report prepared by the New Orleans Fire Department in support of his fraudulent fire claim.

On November 27, 2007, **THOMAS** caused to be faxed to an American Security Insurance Company's claim representative an altered document from America's Servicing Company showing a payoff on the mortgage on the property in the amount of $61,000.00 in support of his fraudulent fire claim.

On January 3, 2008, American Security sent by United States Mail, a letter to **THOMAS** advising that LaCitizens policy was in effect and that American Security insurance was thus only excess insurance.

THE 2009 ARSON AND FRAUD SCHEMES.

Prior to May 3, 2009, Andrew entered into a lease agreement with the owner of the building containing an apartment bearing the municipal address 2744 Orleans Avenue, New Orleans, Louisiana.

Andrew, on March 12, 2009, caused to be purchased and owned a renter's insurance policy number FH 20090710205, issued by Louisiana Citizens Property Insurance Corporation that insured the personal belongings and loss of use for the 2744 Orleans Avenue apartment and paid emergency living benefits.

First Premium Insurance Group, ("First Premium"), was retained by LaCitizens to adjust the claim made by Andrew against LaCitizens' policy.

Banker's Insurance Group, ("Bankers") was retained by LaCitizens to adjust the claim made by Andrew against the LaCitizens policy.

Maverick Claims, LLC, was retained by First Premium Insurance Group to handle the

local adjustment of Andrew's fire claim.

THOMAS assisted Andrew during the arson for the property leased by Andrew located on Orleans Avenue. Andrew was also the tenant on Orleans Avenue and participated in the scheme to defraud the insurance company and the arson. Harris was the driver of the get-a-way vehicle for the Orleans Avenue arson, and aided **THOMAS** in covering up their role in the arson and detection of Andrew's insurance fraud.

2009 Policy and Claims for the May 3, 2009 Fire, 2744-2746 Orleans Avenue:

Prior to March 12, 2009, **THOMAS** agreed with Andrew and Harris that Andrew would secure an individual fire insurance policy insuring valuable property in anticipation of the May 3, 2009 arson. Andrew had made arrangements to move to another location and had in fact moved most of his valuable property prior to the May 3, 2009 fire.

Fifty-two days before the fire, on March 12, 2009, Andrew, completed a dwelling fire application, paid a premium down payment, and secured a homeowner's fire insurance policy issued by Louisiana Citizens Property Insurance Corporation bearing policy number FH 20090710205 00, for the building bearing municipal address 2744 Orleans Avenue, New Orleans, Louisiana, effective for the time period March 12, 2009, to March 12, 2010, with contents coverage for $50,000.00 and loss of use coverage for $15,000.00.

Five days before the fire, or on April 28, 2009, Andrew, was involved in an altercation with his neighbor and Andrew used this altercation to later blame the neighbor for starting the fire and Andrew used the altercation as a pretextual explanation for his not going back to the residence timely after the fire and explaining his delay in timely filing his insurance claim.

On April 29, 2009, Andrew wrote a check for the premium payment to LaCitizens for the payment due on the fire policy.

The early morning of May 3, 2009, Thomas and Harris met Andrew at the residence containing municipal address 2744-46 Orleans Avenue, New Orleans, Louisiana. While Harris waited in a truck he borrowed from B.S., Andrew and THOMAS were removing the last of Andrew's personal property that would not be left in the arson fire. Andrew poured gasoline throughout the front of the residence and while THOMAS was still inside the building lit the fire. **THOMAS** attempting to flee the residence went through the flames and escaped out the front door. Harris assisted **THOMAS** into the truck and fled the scene in his vehicle. Andrew fled the scene in his vehicle. Harris drove **THOMAS** to **THOMAS's** house. Harris also made multiple phone calls to Andrew explaining the burns to **THOMAS**. It was agreed that Harris would take **THOMAS** to the hospital.

Andrew as part of the arson scheme with **THOMAS** and Harris agreed that Andrew would falsely claim valuable and expensive property was in his residence and destroyed by the fire.

THOMAS and Harris agreed to cover up their involvement in the arson and concocted a false story explaining **THOMAS's** burns.

ANDREW's 2009 LaCitizens Fire Claim:

On May 4, 2009, Andrew reported via telephone a claim as the named insured for fire losses incurred to his personal property located at 2744 Orleans Avenue on LaCitizens Policy FH 20090710205 00 causing them to assign claim number 2009 FL002249.

After the fire and through at least February 2, 2010, Andrew pursued the fire policy benefits through mail, phone and fax contacts with the insurance company under the policy issued by LaCitizens, knowing that **THOMAS** and Harris had participated in removing property immediately prior to the arson and covering up his and their involvement in the fire. Both

THOMAS and Harris knew prior to the fire that Andrew was planning on pursuing a false fire claim for fire insurance proceeds.

On May, 19, 2009, Andrew called the LaCitizens claims manager and said he had not received the claim forms but had sent in a handwritten list of all the destroyed items on plain paper and requested an advance payment be overnighted to him knowing that all were false statements in support of his fire claims.

On June 26, 2009, Andrew used and caused to be used, wire transmissions from and by FedEx Kinkos, Metairie, Louisiana office by faxing a handwritten list of items allegedly destroyed in the fire for the apartment fire of May 3, 2009, to LaCitizens.

On July 7, 2009, Andrew called LaCitizens Claim Representative to inquire as to the status of the claim and stated he had sent his contents list in. In response to Andrews's statements the adjuster stated to Andrew that they needed not only a recorded statement from Andrew but a formal submission of his losses on their forms and proof of his additional living expense which Andrew agreed to do.

On July 20, 2009, Andrew using a return address of P.O. Box 371, Metairie, Louisiana, 70004, caused to be mailed by United States Postal Express Mail to First Premium Insurance Group, Covington, Louisiana, 70434, a handwritten falsified contents list of destroyed personal property, including luxury items, knowing that he with the aid of **THOMAS** and Harris had caused the fire causing the damage at Andrew's direction.

On February 2, 2010, Andrew falsely stated in a sworn deposition that he purchased the insurance several months before the fire because of a new next door neighbor and an increase in burglaries of his house.

On July 30, 2009, in the Eastern District of Louisiana, in a matter within the jurisdiction

of the United States Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives, ("ATF"), an agency of the United States an ATF agent met with **THOMAS** as part of their investigation into the Orleans Street fire which occurred the early morning of May 3, 2009. **THOMAS** told the story that he and Harris had previously concocted and agreed to tell the agents to prevent their detection and participation in the arson of the residence located at 2744 Orleans Avenue, New Orleans, Louisiana on May 3, 2009. **THOMAS**, stated that he was picked up by Harris at approximately 11:30 p.m., May 2, 2009, and that they observed a burning vehicle with a female passenger and a male passenger in it; that he attempted to help the female passenger, whose shirt was on fire, from the car causing his clothes to catch on fire after which he fled to Harris's truck who drove him straight to Tulane Hospital, when in truth and in fact, **THOMAS** and Harris both knew **THOMAS** was burned while he was in the building containing the residential address 2744 and 2746 Orleans Avenue, New Orleans, Louisiana when Andrew committed the arson of the building with the aid of **THOMAS** and Harris.

On July 30, 2009, in the Eastern District of Louisiana, in a matter within the jurisdiction of the United States Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives, an agency of the United States, a ATF agent met with Harris as part of their investigation into the Orleans Street fire which occurred the early morning of May 3, 2009. Harris told the story that he and **THOMAS** had previously concocted and agreed to tell the agents to prevent their detection and participation in the arson of the residence located at 2744 Orleans Avenue, New Orleans, Louisiana. Harris stated he picked up **THOMAS** on the early morning of May 3, 2009, and that **THOMAS** was burned when the front of a burning car exploded, burning **THOMAS**, and that he took **THOMAS** straight to Tulane Hospital, when in truth and fact Harris knew that he drove **THOMAS** to the scene of the arson, and he observed

THOMAS's burns after he fled the building during the May 3, 2009 arson of the building containing the residential address 2744 and 2746 Orleans Avenue, New Orleans, Louisiana.

Later, **THOMAS** and Harris compared notes and agreed to maintain to law enforcement agents including ATF agents their concocted and false story explaining **THOMAS's** burns.

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TONY GORDON SANDERS Date
ASSISTANT UNITED STATES ATTORNEY
Bar Roll No. 11705

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JOHN THOMAS Date
ATTORNEY FOR ANTHONY THOMAS
Bar Roll No. _____

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ANTHONY R. THOMAS Date
Defendant