

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

<b>UNITED STATES OF AMERICA</b>	*	<b>CRIMINAL NO. 16-48</b>
<b>v.</b>	*	<b>SECTION: "N"</b>
<b>ROY AUSTIN</b>	*	
	* * *	

**FACTUAL BASIS**

If this case were to proceed to trial, the United States would prove, beyond a reasonable doubt, through credible testimony and reliable evidence, the following facts:

In or around 2009 and continuing through 2014, the defendant, **ROY AUSTIN**, was an Orleans Parish Sheriff's Office ("OPSO") Colonel and OPSO Employee "A" was an OPSO employee. OPSO Employee "A" Family Member "1" was a family member of OPSO Employee "A".

During that same time period, **AUSTIN** owned and operated a private company named Austin Sales and Service. **AUSTIN** utilized Austin Sales and Service to arrange security details for local entities and events that required security beyond what would otherwise be provided by police patrols. **AUSTIN** staffed those events with off-duty

OPSO deputies, New Orleans Police Department officers, and others, to work these security details.

In or around 2009 and continuing through 2014, the defendant, **AUSTIN**, submitted fraudulently inflated invoices to local entities and events via electronic mail and fax transmissions, which traveled in interstate commerce by means of wire and radio communication, from outside the State of Louisiana and into the Eastern District of Louisiana. **AUSTIN** fraudulently inflated invoices by padding the billing documents with names of individuals who did not in fact provide any security services ("Ghost Employees"). Those local entities and events included Mardi Gras Krewe A, Mardi Gras Krewe B, Sporting Event A, Sporting Event B, Sporting Event C, Sporting Event D, Sporting Event E, Sporting Event F, Food Festival A, and Music Event A. The total amount of fraudulently inflated charges was approximately \$83,000.

**AUSTIN** kept a portion of the overbilled amount in his corporate bank account for his own personal use. In some instances, **AUSTIN** drafted Austin Sales and Service corporate checks made payable to the Ghost Employees who did not work and then fraudulently endorsed those checks and deposited them into his personal bank account for his own personal use.

As part of the scheme, **AUSTIN** regularly directed funds from that overbilled surplus for his own personal use by drafting checks to members of his family under the fraudulent guise of payments for detail work that in fact did not take place.

At that time of those fraudulent payments, **AUSTIN** often also drafted checks made payable to OPSO Employee "A's" family members under the fraudulent guise of payments for detail work that in fact did not take place and delivered those checks to OPSP Employee "A." Those payments to OPSO Employee "A" were OPSO Employee "A's" share of the fraudulently collected funds.

**AUSTIN** and OPSO Employee "A" then either fraudulently endorsed those checks or, in some instances, had their respective family members endorse the checks for subsequent deposit.

On or about April 7, 2010, **AUSTIN** provided OPSO Employee "A" a check in the amount of \$360 made payable to OPSO Employee "A" Family Member "1" as OPSO Employee "A's" share of the fraudulently collected funds.

In or around 2012, Mardi Gras Krewe A hired Austin Sales and Service to provide security details for its preview party, bus parking, and extravaganza. On or about February 27, 2012, **AUSTIN** caused an email to be sent to Mardi Gras Krewe A that contained an invoice for the security details provided in the amount of \$25,570. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Mardi Gras Krewe A paid **AUSTIN** the entire invoice.

In or around 2012, Mardi Gras Krewe B hired Austin Sales and Service to provide security details for its parade and after-party. On or about February 27, 2012, **AUSTIN** caused an email to be sent to Mardi Gras Krewe B that contained an invoice for the security details provided in the amount of \$20,990. The invoice fraudulently included

charges for Ghost Employees who did not in fact work. Mardi Gras Krewe B paid **AUSTIN** the entire invoice.

In or around 2012, Music Festival A hired Austin Sales and Service to provide security details for its event day, pre-event, post-event, and box office. On or about October 16, 2012, **AUSTIN** caused an email to be sent to an OPSO employee that contained the spreadsheet upon which the invoice to Music Festival A was based intending it to be used to create the invoice in the amount of \$56,924. The invoice fraudulently included charges for Ghost Employees who did not in fact work and was subsequently delivered to Music Festival A. Music Festival A paid **AUSTIN** the entire invoice.

On or about November 13, 2012, **AUSTIN** drafted a Austin Sales and Service corporate check made payable to Ghost Employee A who did not work and then **AUSTIN** fraudulently endorsed that check and deposited it into his personal bank account for his own personal use.

In or around 2013, Mardi Gras Krewe A hired Austin Sales and Service to provide security details for its preview party and extravaganza. On or about February 28, 2013, **AUSTIN** caused an email to be sent to Mardi Gras Krewe A that contained an invoice for the security details provided in the amount of \$31,246. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Mardi Gras Krewe A paid **AUSTIN** the entire invoice.

On or about March 5, 2013, **AUSTIN** drafted a Austin Sales and Service corporate check made payable to Ghost Employee B who did not work and then **AUSTIN** fraudulently endorsed that check and deposited it into his personal bank account for his own personal use.

In or around 2013, Mardi Gras Krewe B hired Austin Sales and Service to provide security details for its parade and after-party. On or about February 19, 2013, **AUSTIN** caused an email to be sent to Mardi Gras Krewe B that contained an invoice for the security details provided in the amount of \$21,276. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Mardi Gras Krewe B paid **AUSTIN** the entire invoice.

In or around 2013, Sporting Event A hired Austin Sales and Service to provide security details for its sporting event. On or about January 19, 2013, **AUSTIN** caused an email to be sent to Sporting Event A that contained an estimate for the security details to be provided, which was later invoiced in the amount of \$25,725. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Sporting Event A paid **AUSTIN** the entire invoice.

On or about February 16, 2013, **AUSTIN** drafted three Austin Sales and Service corporate checks made payable to Ghost Employees C, D, and E who did not work and then **AUSTIN** fraudulently endorsed those checks and deposited them into his personal bank account for his own personal use.

In or around 2013, Sporting Event B hired Austin Sales and Service to provide security details for its sporting event. On or about March 4, 2013, **AUSTIN** caused an email to be sent to Sporting Event B that contained an invoice for the security details provided in the amount of \$7,625. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Sporting Event B paid **AUSTIN** the entire invoice.

On or about May 2, 2013, **AUSTIN** drafted Austin Sales and Service corporate checks made payable to Ghost Employees F and G who did not work and then **AUSTIN** fraudulently endorsed those checks and deposited them into his personal bank account for his own personal use.

In or around 2013, Sporting Event C hired Austin Sales and Service to provide security details for its sporting event. On or about March 28, 2013, **AUSTIN** caused an email to be sent to an OPSO employee that contained the schedule upon which the invoice to Sporting Event C was based intending it to be used to create the invoice in the amount of \$8,190. The invoice fraudulently included charges for Ghost Employees who did not in fact work and was subsequently delivered to Sporting Event C. Sporting Event C paid **AUSTIN** the entire invoice.

In or around 2013, Food Festival A hired Austin Sales and Service to provide security details for its event. On or about March 27, 2013, **AUSTIN** caused an email to be sent to Food Festival A that contained an invoice for the security details provided in

the amount of \$8,280. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Food Festival A paid **AUSTIN** the entire invoice.

In or around 2013, Music Festival A hired Austin Sales and Service to provide security details for its event day, pre-event, post-event, and box office. On or about November 13, 2013, **AUSTIN** caused a fax transmission to be sent to Music Festival A that contained an invoice for the security details provided in the amount of \$60,115. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Music Festival A paid **AUSTIN** the entire invoice.

In or around 2014, Mardi Gras Krewe A hired Austin Sales and Service to provide security details for its extravaganza. On or about March 18, 2014, **AUSTIN** caused an email to be sent to Mardi Gras Krewe A so that a check would be paid to satisfy the invoice provided by **AUSTIN** in the amount of \$33,909. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Mardi Gras Krewe A paid **AUSTIN** the entire invoice.

On or about March 22, 2014, **AUSTIN** drafted a Austin Sales and Service corporate check made payable to Ghost Employee H who did not work and then **AUSTIN** fraudulently endorsed that check and deposited it into his personal bank account for his own personal use.

In or around 2014, Sporting Event B hired Austin Sales and Service to provide security details for its sporting event. On or about February 18, 2014, **AUSTIN** caused an email to be sent to Sporting Event B that contained an invoice for the security details

provided in the amount of \$15,210. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Sporting Event B paid **AUSTIN** the entire invoice.

In or around 2014, Sporting Event C hired Austin Sales and Service to provide security details for its sporting event. On or about April 29, 2014, **AUSTIN** caused an email to be sent to Sporting Event C that contained an invoice for the security details provided in the amount of \$12,090. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Sporting Event C paid **AUSTIN** the entire invoice.

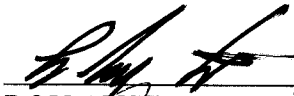
In or around 2014, Food Festival A hired Austin Sales and Service to provide security details for its event. On or about April 2, 2014 and April 3, 2014, **AUSTIN** caused two emails to be sent to Food Festival A that contained invoices for the security details provided in the total amount of \$10,961. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Food Festival A paid **AUSTIN** the entire invoice.

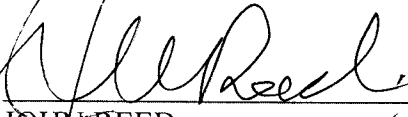
In or around 2014, Music Festival A hired Austin Sales and Service to provide security details for its event day, pre-event, post-event, and box office. On or about November 8, 2014, **AUSTIN** caused an email to be sent to Music Festival A that contained an invoice for the security details provided in the amount of \$99,341. The invoice fraudulently included charges for Ghost Employees who did not in fact work. Music Festival A paid **AUSTIN** the entire invoice.

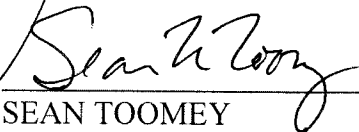


In summary, all of the evidence introduced at trial would establish the elements of the offense and prove the defendant's guilt beyond a reasonable doubt. Moreover, the above described statement is not intended to constitute a complete statement of all facts and evidence of the defendant's guilt in this case, but rather is a minimum statement of facts necessary to establish a factual predicate for the guilty plea.

**READ AND APPROVED:**

 5/4/16  
\_\_\_\_\_  
ROY AUSTIN (date)  
Defendant

 5/4/16  
\_\_\_\_\_  
JOHN REED (date)  
Counsel for Defendant

 5/4/16  
\_\_\_\_\_  
SEAN TOOMEY (date)  
Assistant U.S. Attorney