

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

**UNITED STATES OF AMERICA** \* **CRIMINAL NO. 15-10**  
v. \* **SECTION: "N"**  
**GROSS WILLIAMS** \*

\* \* \*

**FACTUAL BASIS**

The defendant, **GROSS WILLIAMS**, has agreed to plead guilty as charged to Counts One and Three of the five-count Indictment. Count One charges **WILLIAMS** with conspiring to possess with the intent to distribute and to distribute one (1) kilogram or more of a mixture or substance containing a detectable amount of heroin and five (5) kilograms or more of a mixture of substance containing a detectable amount of cocaine, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(A) and 846. Count Three charges **WILLIAMS** with possession of a firearm by a convicted felon, in violation of Title 18, United States Code, Section 922(g).

Should this matter have gone to trial, the government would have proven, through the introduction of competent testimony and other admissible evidence, the following facts, beyond a reasonable doubt, to support the allegations in the Indictment now pending against the defendant:

Numerous cooperating defendants would have testified that **WILLIAMS**, who was known as "Boss" or "Old Man Gross," was and had been for many years a major drug trafficker in the Lower Ninth Ward area of New Orleans. Many of these witnesses had known

**WILLIAMS** for decades and dealt drugs with him on and off for many years. These witnesses would have described purchases of large quantities of heroin and cocaine that they made from **WILLIAMS** beginning in the early 2000's and continuing through the time of **WILLIAMS**'s arrest in September 2014. These witnesses would testify that **WILLIAMS** primarily trafficked in marijuana and cocaine until sometime after 2010. As heroin became more popular and thus more profitable, **WILLIAMS** also began trafficking heroin. Some of the witness would testify to buying multiple ounces of cocaine from **WILLIAMS** on a bi-weekly basis. Others would testify that they purchased multiple ounces of heroin from **WILLIAMS** on a weekly basis. All would say that **WILLIAMS** was a long time drug dealer who was extremely careful in his dealings and a major player in the New Orleans drug world.

The government would also introduce under Federal Rule of Evidence 404(b) at least three of **WILLIAMS**'s prior felony drug trafficking convictions. The government would also present evidence of a 2003 arrest involving **WILLIAMS**. In that incident, officers conducted controlled purchases from **WILLIAMS** at his mother's house on Caffin Avenue in New Orleans. Based on the controlled purchases, they obtained and executed a search warrant at the house. During the search, officers found distribution quantities of various drugs, including cocaine (60.36 grams), crack (150 grams), heroin (20.99 grams), and marijuana (5.5 pounds). They also found firearms. **WILLIAMS** confessed that the drugs were his, but the evidence was lost during Hurricane Katrina before **WILLIAMS** could be prosecuted.

On September 22, 2014, Drug Enforcement Administration ("DEA") agents who had received a tip from the New Orleans Police Department ("NOPD") relayed to members of Louisiana Probation and Parole ("Probation") that they had received information that

**WILLIAMS** was a multi kilogram cocaine dealer. **WILLIAMS** was on state probation at the time from a conviction on December 20, 2012, in case number 672-11D in the 18th Judicial District Court for the Parish of Iberville, State of Louisiana, for Possession with Intent to Distribute a Schedule I Controlled Dangerous Substance, in violation of La. R.S. 40:966.A. The sharing of this information with Probation led to a compliance check being conducted on **WILLIAMS**. The Probation officers went to Boss Used Cars, a small used car lot being operated by **WILLIAMS**. Upon encountering **WILLIAMS** at the car lot, **WILLIAMS** told the officers that he had approximately \$15,000 in cash on his person. After counting the money, the officers determined it was approximately \$10,000. A drug detecting canine officer alerted to the presence of drugs on the money seized from **WILLIAMS**'s person.

That same day, the Probation officers went to **WILLIAMS**'s residence on Sandalwood Street. During a search of the residence, the officers located approximately \$425,000 in cash in the bedroom closet in the room where **WILLIAMS** and his wife were living. The officers also found a Smith and Wesson, .40 caliber semi-automatic pistol, bearing serial number DSS6399, in the same bedroom where they found the money. The gun was found in a nightstand that contained men's socks. After the money and gun were discovered, **WILLIAMS** was arrested, transported to the NOPD's 7th District Police Station, *Mirandized* (again), and interviewed.

During this interview, **WILLIAMS** stated that his wife Kathleen Williams, who had no prior felony convictions, had purchased the gun. This statement was later confirmed through TRACE reports showing that Kathleen Williams in fact purchased the gun. **WILLIAMS** further stated that sometime after the gun was purchased, he told his wife that the gun had been stolen when their car was broken into and that thereafter he was in possession of the gun. In a separate

interview, Kathleen Williams also stated that the gun had been stolen from their car. Agents later confirmed that **WILLIAMS** had in fact reported the gun as stolen. Agents obtained the police reports documenting the alleged theft, which never actually occurred. **WILLIAMS** was a convicted felon and prohibited from possessing a gun in September 2014 because of the aforementioned 2012 conviction for possession with the intent to distribute marijuana. A government expert would testify that Smith and Wesson has never manufactured .40 caliber semi-automatic pistols in Louisiana and that the .40 caliber Smith and Wesson pistol that was seized from **WILLIAMS's** bedroom had to have travelled in interstate commerce.

During the post-arrest interview, **WILLIAMS** also gave consent for the agents to search a phone that was on his person. Agents found scores of incriminating text messages with three individuals, two of whom were identified as F.S. and B.T. The government would present testimony that F.S. and B.T. were drug customers of **WILLIAMS** and that other drug customers of **WILLIAMS** routinely communicated with him about drug purchases via text message. A representative text exchange is set out below.

**8/5/14 – Texts between 504-329-0010 (F.S.) and WILLIAMS**

5043290010 05/08/14 16:44:53

Outgoing - **Where you at ?**

5043290010 05/08/14 16:45:45

Outgoing - **Hit me up tonight**

5043290010 05/08/14 16:47:56

Incoming - **In the east**

5043290010 05/08/14 16:48:30

Outgoing - **How long you will be there**

5043290010 05/08/14 17:03:48 (GMT-5)

Incoming - **I meet u were u want**

5043290010 05/08/14 17:06:40

Outgoing - **You home**

5043290010 05/08/14 17:08:31

Incoming - **2 on my way there in a few min**

5043290010 05/08/14 17:13:54

Outgoing - **I'm around your house**

5043290010 05/08/14 17:29:24

Incoming - **I'm back**

5043290010 05/08/14 17:45:08

Outgoing - **I'm about to pull up**

Agents also conducted a significant financial investigation of **WILLIAMS**, his wife, and businesses with which they were associated. The agents reviewed, among other things, bank records, tax return information, property records, and employment records. Agents also conducted a search warrant at Boss Used Cars where they seized business records related to the operation of the used car lot. The agents also discovered a safe deposit box held in Kathleen Williams and her son's names and, pursuant to a warrant, seized approximately \$240,000 in cash from the safe deposit box. The only person who had opened the box was Kathleen Williams, although once she opened it, other people, including her husband, could have accessed the box.

The financial investigation demonstrated that **WILLIAMS** had no wage earnings from 2010 to 2015 and that his wife's earnings during this period were minimal. It also demonstrated that the used car lot did not generate anywhere close to the approximately \$675,000 in cash that was seized from **WILLIAMS**. In fact, the sales at the used car lot were insufficient to account even for the approximately \$440,000 in cash that was deposited into the Boss Used Car bank accounts from 2010-2014. The records show that **WILLIAMS** bought 41 cars from 2010 to 2014. He sold the cars for an average profit of less than \$1,000 per car, as detailed in the following chart showing sales and profits for 2011-2013. Even assuming **WILLIAMS** purchased scores more cars on the street for cash that were not reflected in his inventory records or state sales records, the sales would not be close to accounting for the approximately

\$1,115,000 in cash (\$675,000 in seized cash and \$440,000 in cash deposits into the Boss Used Cars LLC checking account) discovered through the investigation. In addition to the cash, agents also discovered that **WILLIAMS** owned several homes, a tow truck purchased for approximately \$80,000, and numerous vehicles.

<b>Boss Used Cars, LLC - Vehicles Sold</b>				
<b>Date Sold</b>	<b>Vehicle Description</b>	<b>Sales Price</b>	<b>Vehicle Cost</b>	<b>Net Profit (Loss)</b>
2/12/2011	2001 Chev Malibu	\$ 4,000.00	\$ 3,235.00	\$ 765.00
2/15/2011	2005 Chev Monte Carlo	\$ 4,800.00	\$ 4,230.00	\$ 570.00
2/16/2011	2002 Chev Malibu	\$ 3,000.00	\$ 2,500.00	\$ 500.00
3/7/2011	2003 Saturn Ion	\$ 5,000.00	\$ 4,240.00	\$ 760.00
3/11/2011	2006 Nissan Altima	\$ 8,999.00	\$ 6,995.00	\$ 2,004.00
3/24/2011	2009 Toyota Camry	\$ 13,000.00	\$ 11,650.00	\$ 1,350.00
4/1/2011	2010 Chev Impala	\$ 13,500.00	\$ 11,510.00	\$ 1,990.00
4/18/2011	2002 Chev Impala	\$ 5,300.00	\$ 4,440.00	\$ 860.00
4/19/2011	2009 Chev Cobalt	\$ 9,000.00	\$ 8,125.00	\$ 875.00
4/26/2011	2002 Buick Regal	\$ 700.00	\$ 700.00	\$ -
4/26/2011	2004 Chev Malibu	\$ 3,500.00	\$ 3,500.00	\$ -
8/2/2011	2010 Toyota Camry	\$ 15,000.00	\$ 13,700.00	\$ 1,300.00
8/8/2011	2000 Buick LeSabre	\$ 3,500.00	\$ 4,800.00	\$ (1,300.00)
10/29/2011	2008 GMC Envoy	\$ 13,200.00	\$ 12,210.00	\$ 990.00
12/8/2011	2006 Dodge Stratus	\$ 6,800.00	\$ 6,600.00	\$ 200.00
<b>Total - 2011</b>	<b>15</b>	<b>\$ 109,299.00</b>	<b>\$ 98,435.00</b>	<b>\$ 10,864.00</b>
6/5/2012	2008 Ford Escape	\$ 12,000.00	\$ 9,700.00	\$ 2,300.00
8/1/2012	2005 Nissan Altima	\$ 5,825.00	\$ 5,325.00	\$ 500.00
8/3/2012	2010 Toyota Camry	\$ 14,000.00	\$ 13,110.00	\$ 890.00
11/5/2012	2010 Chev Cobalt	\$ 9,800.00	\$ 9,080.00	\$ 720.00
12/10/2012	2006 Pontiac Gran Prix	\$ 6,800.00	\$ 6,795.00	\$ 5.00
<b>Total - 2012</b>	<b>5</b>	<b>\$ 48,425.00</b>	<b>\$ 44,010.00</b>	<b>\$ 4,415.00</b>

2/1/2013	2010 Kia Soul	\$ 11,000.00	\$ 13,610.00	\$ (2,610.00)
2/8/2013	2004 Chev Impala	\$ 5,500.00	\$ 3,875.00	\$ 1,625.00
2/9/2013	2010 Ford Focus	\$ 12,500.00	\$ 11,210.00	\$ 1,290.00
2/15/2013	2006 Pontiac Grand Prix	\$ 9,000.00	\$ 7,210.00	\$ 1,790.00
3/20/2013	2010 Nissan Altima	\$ 14,500.00	\$ 15,610.00	\$ (1,110.00)
4/8/2013	2008 Chev Cobalt	\$ 9,000.00	\$ 8,630.00	\$ 370.00
8/3/2013	2006 Chev Malibu	\$ 7,700.00	\$ 7,700.00	\$ -
8/8/2013	2005 Hyundai Sante Fe	\$ 6,500.00	\$ 5,990.00	\$ 510.00
8/9/2013	Hyundai Accent	\$ 8,000.00	\$ 7,290.00	\$ 710.00
10/1/2013	2009 Chev Cobalt	\$ 9,581.00	\$ 7,210.00	\$ 2,371.00
<b>Total - 2013</b>	<b>10</b>	<b>\$ 93,281.00</b>	<b>\$ 88,335.00</b>	<b>\$ 4,946.00</b>

The financial records are most complete for 2012. That year, according to both the business records and the state sales tax records, **WILLIAMS** sold only five cars. The sales match within a few dollars to the gross receipts **WILLIAMS** claimed on his taxes. Agents were able to tie certain deposits into the checking account to the sale of the cars. Setting aside these deposits, there is still more than \$60,000 in unaccounted-for cash deposited into the account during 2012. On his 2012 taxes, **WILLIAMS** claimed a loss for the business with the costs of goods sold exceeding his gross receipts.

During the search of Boss Used Cars LLC, agents located retained copies of the 2012 and 2013 tax returns for **GROSS WILLIAMS** and Kathleen Williams. In both years the couple filed separately, with **GROSS WILLIAMS** filing as "Single" and Kathleen Williams filing as "Head of Household" and claiming the Earned Income Credit. Kathleen Williams's only source of income was based on a Form 1099 that she received from Boss Used Cars for "non-employee compensation." In 2012, her non-employee compensation (income) was \$8,400 and in 2013 \$9,600. On **GROSS WILLIAMS's** returns, the only source of income (loss) was from a Schedule C for Boss Used Cars. The table below is a summary of the pertinent Schedule C information from the tax returns found during the search of the business:


<b>Schedule C Items</b>	<b>2012</b>	<b>2013</b>
Gross Profit	\$48,420	\$201,481
Cost of Goods Sold	\$54,910	\$143,828
Gross Profit (Loss)	(\$6,490)	\$57,653
Total Expenses	\$1,875	\$98,327
Net Profit (Loss)	(\$8,365)	(\$40,674)

The bank records do not reflect any large withdrawals that would account for the cash that was seized. Moreover, the cash that was seized was not wrapped with bank bands. It was rubber banded together and in all kinds of denominations, including fives and tens.

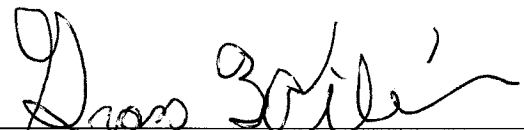
The government would present evidence from cooperating defendants and law enforcement experts about the approximate prices for kilograms of heroin and cocaine. Although these prices fluctuated during the relevant time period, the testimony would establish that a fair estimate for the price of a kilogram of heroin is \$60,000 and a fair estimate for the price of a kilogram of cocaine is \$30,000. A significant portion of the \$425,000 seized from **WILLIAMS's** house was shrink-wrapped in \$30,000 amounts.

On or about September 27, 1993, in the 15th Judicial District Court for the Parish of Lafayette, State of Louisiana, in case number 64126, **WILLIAMS**, pled guilty as charged to the following felony drug offense, to wit: On August 31, 1992, **WILLIAMS**, in Lafayette Parish, Louisiana, did possess with the intent to distribute a Schedule II Controlled Dangerous Substance; to wit, cocaine, in violation of La. R.S. 40:967, after previously having been convicted of possession with the intent to distribute cocaine on April 28, 1992, under docket number 61689, of the 15th Judicial District Court for the Parish of Lafayette, State of Louisiana. The judgment in that case is now final and the prior conviction satisfies the requirements of Title 21, United States Code, Section 851.

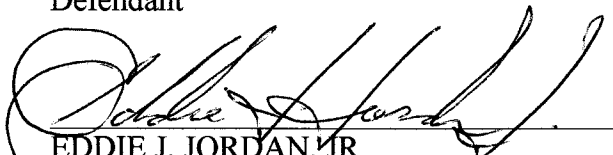
This factual basis is not intended to constitute a complete statement of all facts known by **WILLIAMS** and by the Government, but rather is a minimum statement of facts intended to prove the necessary factual predicate for the guilty plea. The limited purpose of this factual basis is to demonstrate that there exists a sufficient legal and factual basis for **WILLIAMS's** plea of guilty to Counts One and Three of the Indictment.

  
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DAVID HALLER  
Assistant United States Attorney

5/18/2016  
Date

  
\_\_\_\_\_  
GROSS WILLIAMS  
Defendant

5/18/2016  
Date

  
\_\_\_\_\_  
EDDIE J. JORDAN, JR.  
Attorney for Defendant

5/18/2016  
Date