

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF LA.
2018 NOV 28 A 9:43
WILLIAM W. BLEVINS
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

**BILL OF INFORMATION FOR CONSPIRACY TO COMMIT HONEST
SERVICES WIRE FRAUD AND SOLICITING A BRIBE AND NOTICE OF FORFEITURE**

UNITED STATES OF AMERICA

v.

DAVID HANSON
CLIFFORD "SKIP" KEEN

* CRIMINAL NO. **18-242**
* SECTION: **SECT. B MAG. 4**
* VIOLATIONS: 18 U.S.C. § 371
* 18 U.S.C. § 1343
* 18 U.S.C. § 1346
* 18 U.S.C. § 666(a)(1)(B)

* * *

The United States Attorney charges that:

COUNT 1

A. AT ALL TIMES MATERIAL HEREIN:

Background

1. The St. Tammany Parish Sheriff's Office (STPSO) was an agency of St. Tammany Parish, a local government/municipality within the State of Louisiana that received federal assistance in excess of \$10,000 annually. The State of Louisiana also received federal assistance in excess of \$10,000 annually.

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2. STPSO was the chief law enforcement agency of St. Tammany Parish. In that capacity, STPSO was responsible for, among other things, enforcing local and state laws, serving as the tax collector for St. Tammany Parish, and operating incarceration facilities for inmates, select pre-trial criminal defendants, and adjudicated offenders within St. Tammany Parish.

3. STPSO fell under the authority of the Sheriff, an elected official who was the chief law enforcement officer in St. Tammany Parish. The Sheriff of STPSO had authority, among other things, to enter into certain contracts binding STPSO, including professional service contracts, unilaterally.

4. STPSO was responsible for operating work release programs for qualified state and parish prisoners within St. Tammany Parish. The work release programs promoted public safety through the successful reintegration of rehabilitated individuals returning to the community after their incarceration. Participants focused on transitioning from incarceration, including finding and retaining employment, becoming productive members of the community, and reconnecting with family members. Inmates participating in work release programs often received specialized housing and the opportunity to work in non-custodial environments (*i.e.*, private employers) approved and obtained by the work release program.

5. The laws of the State of Louisiana provided that “[t]he sheriff of each parish . . . is hereby authorized to establish and administer a work release program for inmates of any jail or prison under his jurisdiction.” *See* La. Rev. Stat. 15:711(a). Every inmate with work release privileges was liable for the cost of his room, board, clothing, and other “necessary expenses incident to his employment or placement.” *See* La. Rev. Stat. 15:711(c). The wages of any inmate employed through a work release program were to be “collected by the sheriff or by his designated agent[.]” *See* La. Rev. Stat. 15:711(d).

6. From about 1996 to June 2016, Public Official 1 was the Sheriff of STPSO. As such, Public Official 1 was an agent of STPSO for purposes of Title 18, United States Code, Section 666.

7. The defendant, **DAVID HANSON** (“**HANSON**”), was employed by STPSO from not later than 2008 to June 2016, most recently as a Captain. As a Captain, **HANSON** oversaw and supervised STPSO’s Canine Division.

8. **HANSON** met Public Official 1 while they were both in grade school in Abita Springs, Louisiana. Thereafter, **HANSON** and Public Official 1 worked together in the Abita Springs Police Department. **HANSON** and Public Official 1 became friends and participated in numerous social activities with one another, including belonging to the same hunting club.

9. **HANSON** operated and controlled a bank account at Capital One Bank, N.A. bearing Account No. XXXXXX0573.

10. The defendant, **CLIFFORD “SKIP” KEEN** (“**KEEN**”) was employed by the STPSO from about July 1997 to June 2016, most recently as a Captain. As a Captain, **KEEN** oversaw and supervised STPSO’s Maintenance Department.

11. **KEEN** knew Public Official 1 since **KEEN** was a small child.

12. **KEEN** operated and controlled a bank account at Home Bank, N.A. bearing Account No. XXXXX4958.

13. Person 1 was **KEEN**’s adult son.

14. Person 1 operated and controlled a bank account at Citizens Bank & Trust Co. (“**Citizens**”) bearing Account No. XXX9502. **KEEN** also enjoyed possession, control, and usage of a debit card drawn on Account No. XXX9502.

15. Person 2 was **HANSON**’s adult daughter.

16. Person 2 operated and controlled a bank account at Citizens bearing Account No. XXX9553.

17. STPSO provided a pension program for qualifying employees.

18. STPSO purported to adhere to the State of Louisiana Code of Governmental Ethics. *See* La. Rev. Stat. § 42:1101-1170. In pertinent part, a STPSO employee was prohibited from “participat[ing] in a transaction in which he has a personal substantial economic interest of which he may be reasonably expected to know involving the governmental entity.” *See* La. Rev. Stat. § 42:1112(a).

Work Release Programs in St. Tammany Parish

19. Before about November 2007, STPSO operated a work release program in St. Tammany Parish, located at 141 Production Drive, Slidell, Louisiana 70460, within the Eastern District of Louisiana.

20. In about 2007, Public Official 1 decided to open a second work release program in Covington, Louisiana, which he chose to be operated by a private entity. Because work release programs were considered “professional services,” the STPSO Sheriff had the authority to grant the right to operate work release programs to the private entity of his choice unilaterally.

21. In about November 2007, Public Official 1 entered into a cooperative endeavor agreement with Company 1 to operate the work release program in Covington, Louisiana, without seeking competitive bids. From about January 2008 to about March 2014, Company 1 privately operated the work release program in Covington, Louisiana.

22. From about 2008 through about 2014, KEEN was employed on a part-time basis at the Covington work release program, for which he was paid approximately \$30,000 per year.

23. In about early 2013, Public Official 1 decided to privatize the work release program located at 141 Production Drive, Slidell, Louisiana 70460 (the Slidell work release program).

24. Public Official 1 discussed making **HANSON** and **KEEN** the joint owners and operators of the Slidell work release program.

25. Assuming ownership and control of the Slidell work release program would have required **HANSON** and **KEEN** to resign from STPSO and, consequently, lose their salaries and pension increases from continued employment.

St. Tammany Workforce Solutions, LLC

26. On about March 23, 2013, St. Tammany Workforce Solutions, LLC was incorporated with the Louisiana Secretary of State. The registered agent was Person 3, and its officers were Person 1, Person 2, and Person 3.

27. On about May 1, 2013, Person 1, Person 2, and Person 3 entered into a legally binding operating agreement for St. Tammany Workforce Solutions, LLC. According to the agreement, Person 3 was to be responsible “for the daily operations and management of [St. Tammany Workforce Solutions, LLC] including the sole authority to hire and fire [its] employees” and enjoyed a ten (10) percent ownership share as well as a ten (10) percent share of all profits. Person 1 and Person 2 each enjoyed a forty-five (45) percent ownership share of St. Tammany Workforce Solutions, LLC, which entitled each of them to a forty-five (45) percent share of all profits.

28. St. Tammany Workforce Solutions, LLC operated and controlled bank accounts at Citizens bearing Accounts Nos. XXX1185 and XXX1223.

29. On about June 4, 2013, Public Official 1 entered into a cooperative endeavor agreement (“privatization agreement”) on behalf of STPSO with St. Tammany Workforce

Solutions, LLC to operate the Slidell work release program.

30. The privatization agreement provided, in relevant part, that Public Official 1 would “lease to St. Tammany Workforce Solutions, LLC, the premises located at 141 Production Drive, Slidell, LA” from July 1, 2013, through July 1, 2016, that St. Tammany Workforce Solutions, LLC would “operate and manage” the work release program, and that St. Tammany Workforce Solutions, LLC would comply “with all federal, state, and local, laws, rules, and regulations, including but not limited to La. R. S. 15:711, fire code, health regulations, and DOC regulations.”

31. According to the privatization agreement and operative State of Louisiana regulations, STPSO would submit invoices to the Louisiana Department of Corrections for participants in the Slidell work release program. STPSO then remitted the amount paid by the Louisiana Department of Corrections to St. Tammany Workforce Solutions, LLC.

32. Between about June 27, 2013, and July 1, 2013, Person 3 made a \$10,000 loan to St. Tammany Workforce Solutions, LLC and pledged a piece of property he owned, appraised at \$300,000, as collateral to obtain a \$200,000 business loan for St. Tammany Workforce Solutions, LLC to be able to operate the Slidell work release program.

33. St. Tammany Workforce Solutions, LLC operated the Slidell work release program from about June 2013 through June 2016.

34. From about August 2013 until about mid-2016, St. Tammany Workforce Solutions, LLC added another individual to the payroll, Person 4. Person 4 was Public Official 1’s relative and an employee at STPSO. Person 4 received approximately \$30,000 per year from St. Tammany Workforce Solutions, LLC.

35. Between about July 5, 2013, and January 13, 2017, Person 1 and Person 2 received not less than \$1,195,000 from St. Tammany Workforce Solutions, LLC in the form of ownership

disbursements, salary payments, and occasional lump sum miscellaneous payments. Person 1 received no fewer than 145 payments totaling no less than approximately \$550,000, and Person 2 received no fewer than 131 payments totaling no less than approximately \$600,000.

B. THE CONSPIRACY:

Beginning at a time unknown, but not later than early 2013, and continuing until on or about January 13, 2017, in the Eastern District of Louisiana and elsewhere, the defendants, **DAVID HANSON** and **CLIFFORD “SKIP” KEEN**, and others known and unknown to the United States Attorney did knowingly and willfully combine, conspire, and agree:

36. To devise and intend to devise a scheme and artifice to defraud and deprive the citizens of St. Tammany Parish of their right to the honest and faithful services of **HANSON**, **KEEN**, and Public Official 1, through kickbacks and the concealment of material information, and to cause wire communications to be transmitted in interstate commerce for the purpose of executing such scheme, in violation of Title 18, United States Code, Sections 1343 and 1346; and

37. To corruptly solicit and demand for the benefit of any person a thing of value from any person, intending to be influenced and rewarded in connection with a transaction and series of transactions of the St. Tammany Parish Sheriff's Office involving \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(1)(B).

C. NATURE AND PURPOSE OF THE CONSPIRACY:

38. The nature and purpose of the conspiracy included the following: (a) to convert to the personal use of the conspirators and others money and property belonging to the St. Tammany Parish Sheriff's Office and State of Louisiana; (b) to enrich the conspirators and others by obtaining and retaining money and property to which the conspirators were not entitled; and (c) to

conceal the nature and purposes of the scheme and artifice to defraud and the solicitation, demand, and corrupt giving, offering, and rewarding of bribes and kickbacks.

D. MANNER AND MEANS OF THE CONSPIRACY:

The conspiracy was carried out through the following manner and means, among others:

39. Public Official 1 discussed making **HANSON** and **KEEN** the joint owners and operators of the Slidell work release program. **HANSON** and **KEEN** understood that assuming ownership and control of the Slidell work release program would require them to resign from STPSO and, consequently, lose their salaries and pension increases from continued employment. **HANSON** and **KEEN** expressed their concern to Public Official 1. Thereafter, **HANSON**, **KEEN**, and Public Official 1 discussed ways to allow **HANSON** and **KEEN** to maintain their employment and still profit from the Slidell work release program. Ultimately, **HANSON**, **KEEN**, and Public Official 1 agreed to make Person 1 and Person 2 owners of the Slidell work release program.

40. **HANSON**, **KEEN**, and Public Official 1 agreed that they needed to find another individual actually to operate the Slidell work release program because Person 1 and Person 2 lacked sufficient education, training, experience, or funding. They decided on Person 3, to whom **HANSON** presented a series of conditions, including the following: Person 1 and Person 2 would each own forty-five (45) percent of the Slidell work release program and would each receive forty-five (45) percent of the profits, while Person 3 would own ten (10) percent and receive a salary; and Person 3 would be responsible for the daily operations of the Slidell work release program.

41. Person 1 and Person 2 acted effectively as passive members and did not participate substantially in the operation, oversight, or administration of the Slidell work release program, while Person 3 was responsible for the daily operations of the program. Nevertheless, Person 3

was required to pay Person 1 and Person 2 salaries in addition to their ownership disbursements.

42. **HANSON** directed Person 3 to hire Person 4 to work at the Slidell work release program and to pay Person 4 approximately \$30,000 per year, even though St. Tammany Workforce Solutions, LLC did not need to employ Person 4 and, ultimately, did not give him any duties, responsibilities, or work to perform at the Slidell work release program. With Public Official 1's knowledge, Person 4 was compensated for a no-show job at the Slidell work release program.

43. Through the use of interstate wires, Person 1 and Person 2 received payments in the form of checks drawn on the bank accounts of St. Tammany Workforce Solutions, LLC and Person 3.

44. Through the use of interstate wires, Person 1 and Person 2 transferred a significant portion of the profits they received from St. Tammany Workforce Solutions, LLC to their fathers, **KEEN** and **HANSON**, in multiple ways.

45. **HANSON**, **KEEN**, and Public Official 1 understood that Public Official 1 would receive financial compensation from them in exchange for bestowing the right to operate the Slidell work release program on St. Tammany Workforce Solutions, LLC.

46. **HANSON** and **KEEN** discussed the amount of money they needed to give Public Official 1.

47. **HANSON** and **KEEN** each gave Public Official 1 a portion of the payoffs they received from St. Tammany Workforce Solutions LLC, through Person 1 and Person 2.

48. **HANSON**, **KEEN**, Person 1, Person 2, and Public Official 1 attempted to conceal the scheme by, among other things, not including in the privatization agreement the fact that Public Official 1 would receive financial compensation in exchange for bestowing the right to operate the

Slidell work release program on St. Tammany Workforce Solutions LLC, communicating by cellular telephone, and providing most of the money to Public Official 1 in the form of cash.

E. OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY:

In furtherance of the conspiracy and to achieve the objects thereof, the defendants, **DAVID HANSON** and **CLIFFORD "SKIP" KEEN**, and others known and unknown to the United States Attorney, committed and caused to be committed the following overt acts, among others, in the Eastern District of Louisiana and elsewhere:

49. On or about June 4, 2013, Public Official 1 signed the privatization agreement on behalf of STPSO with St. Tammany Workforce Solutions, LLC, thereby privatizing the operation of the Slidell work release program.

50. Beginning not later than October 8, 2013, and continuing to on or about January 13, 2017, through the use of interstate wire communications, Person 1 received no fewer than 145 payments in the form of checks drawn on the bank accounts of St. Tammany Workforce Solutions, LLC and Person 3 totaling no less than approximately \$550,000. Specifically, on about July 3, 2014, Person 1 caused funds in the amount of \$15,000 to be withdrawn from St. Tammany Workforce Solutions LLC's Citizens bank account bearing number XXX1185 by endorsing Check number 10337 and causing the funds to be deposited into his Citizens bank account bearing account number XXX9502.

51. Beginning not later than July 10, 2013, and continuing to on or about January 12, 2017, through the use of interstate wire communications, Person 2 received no fewer than 131 payments in the form of checks drawn on the bank accounts of St. Tammany Workforce Solutions, LLC and Person 3 totaling no less than approximately \$600,000. Specifically, on about November 7, 2014, Person 2 caused funds in the amount of \$15,000 to be withdrawn from St. Tammany

Workforce Solutions LLC's Citizens bank account bearing number XXX1185 by endorsing Check number 10455 and causing a portion of the funds to be deposited into her Citizens bank account bearing account number XXX9553 and a portion to be converted to cash.

52. Between about October 8, 2013, and about July 29, 2016, on approximately 276 instances, Person 1 generated cash from payments made by St. Tammany Workforce Solutions, LLC totaling no less than approximately \$275,000, some of which he then gave to **KEEN**.

53. Between about October 8, 2013, and about January 3, 2017, on approximately 167 instances, Person 2 generated cash from payments made by St. Tammany Workforce Solutions, LLC totaling approximately \$425,000, a significant portion of which she either gave to **HANSON** or deposited into bank accounts to be used for the benefit of **HANSON**.

54. In about January 2015, **HANSON** instructed Person 2 to write a check in the amount of approximately \$4,000 made payable to Public Official 1's son because Public Official 1 issued the right to operate the Slidell work release program to St. Tammany Workforce Solutions, LLC.

55. In about January 2015, **HANSON** gave Public Official 1's son a check in the amount of approximately \$4,000 made payable to Public Official 1's son because Public Official 1 issued the right to operate the Slidell work release program to St. Tammany Workforce Solutions, LLC.

56. As Public Official 1's share, between about Fall 2013 and Fall 2016, **HANSON** funneled Public Official 1 cash payoffs in amounts greater than \$1,000 on a recurring basis in exchange for Public Official 1 bestowing the right to operate the Slidell work release program to St. Tammany Workforce Solutions, LLC.

57. As Public Official 1's share, between about Fall 2013 and Fall 2016, **KEEN** funneled Public Official 1 cash payoffs in amounts greater than \$1,000 on a recurring basis in exchange for Public Official 1 bestowing the right to operate the Slidell work release program to St. Tammany Workforce Solutions, LLC.

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

NOTICE OF FORFEITURE

1. The allegations contained in Count 1 of this Bill of Information are hereby realleged and incorporated by reference for the purpose of alleging forfeitures to the United States of America pursuant to the provisions of Title 18, United States Code, Sections 371, 1343, 1346, 666(a)(1)(B), 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, defendants, **DAVID HANSON** and **CLIFFORD "SKIP" KEEN**, 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 and personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offense as a result of the violations of Title 18, United States Code, Sections 371, 1343, 1346, and 666(a)(1)(B).

3. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendant:

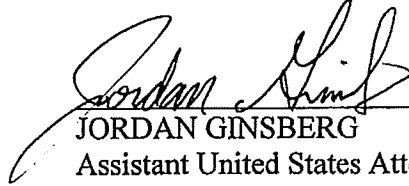
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or


- 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 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property;

All in violation of Title 18, United States Code, Sections 371, 1343, 1346, 666(a)(1)(B), and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c).

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