

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF LA.

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DAROL L. MICHAEL CC
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

INDICTMENT FOR WIRE FRAUD

UNITED STATES OF AMERICA

*

CRIMINAL NO.

21-188

v.

*

SECTION:

SECT. B MAG. 1

CLARENCE "BILLY" BURKETTE

*

VIOLATION: 18 U.S.C. § 1343

* * *

The Grand Jury Charges that:

COUNTS 1-3

A. AT ALL MATERIAL TIMES HEREIN:

1. The Town of Pearl River, Louisiana was a municipality incorporated under the provisions of the Lawrason Act as a mayor-board of aldermen form of government and located in St. Tammany Parish and the Eastern District of Louisiana.

2. The Board of Alderman functioned in a way similar to a town, city, or parish council, including by passing town ordinances, approving budgets, and approving certain types of expenditures of town funds

3. The Town of Pearl River sustained damage during numerous hurricanes, including Hurricanes Katrina (August 2005), Gustav (September 2008), and Isaac (August 2012).

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4. The Town of Pearl River maintained multiple bank accounts, including one at First NBC Bank, bearing account number [REDACTED]

5. Federal response and funding to certain disasters were set forth in Title 42, United States Code, Sections 5121, *et seq.*, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (commonly known as the “Stafford Act”).

6. The Federal Emergency Management Agency (FEMA) provided grants for the response to and/or recovery from declared major disasters and emergencies. FEMA’s Public Assistance Program provided grant programs for state, territorial, tribal, and local governments, and certain types of non-profits.

7. FEMA’s Public Assistance Program issued grants to the grantee. In the State of Louisiana, the Louisiana Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) served as the grantee/recipient and was responsible for administering the grant program. As the grantee, GOHSEP, in turn, disbursed the public assistance grant funds to the appropriate subgrantee/subrecipient municipality, including the Town of Pearl River, that had applied for the federal assistance.

8. The assistance FEMA provided through the Public Assistance Program was subject to a federal cost share. By default, FEMA’s public assistance grants covered 75% of eligible costs; and the applicant municipality was required to cover the remaining 25%. However, the President had the authority to authorize a greater federal cost share. Hurricane Katrina was a 100% federally funded major disaster. As it pertained to disaster response, the grants reimbursed the recipient municipality for eligible repair costs, which the recipient municipality had already incurred.

9. In addition to reimbursing eligible costs at the percentage approved for the major disaster or emergency, FEMA also provided limited funding for grant administration management

costs, which provided aid to the applicant municipality for the cost of administering a public assistance grant. This administrative allowance provided for a limited reimbursement of costs that an applicant/subgrantee incurred in requesting, obtaining, and administering public assistance.

10. The defendant, **CLARENCE “BILLY” BURKETTE (“BURKETTE”)**, resided in Slaughter, Louisiana.

11. On or about February 25, 2010, **BURKETTE** registered Global Disaster Recovery & Rebuilding Services LLC (“GDRRS”) with the Louisiana Secretary of State, designating only himself as an agent and member. GDRRS purported to be an experienced disaster relief company that could, among other things, assist municipalities in identifying and obtaining public assistance funds as reimbursement for qualifying disaster-based repairs.

12. **BURKETTE** maintained multiple bank accounts, including one at Capital One Bank, N.A. (“Capital One”), bearing account number [REDACTED]

13. On or about February 18, 2016, **BURKETTE**, through GDRRS, entered a contract with the Town of Pearl River, which identified the “Disaster Assistance Agreement Terms” he would provide to the Town of Pearl River (“the Disaster Assistance contract”), including: “Locate any eligible documentation and submit it for reimbursement;” “Itemizing and assisting to put the documentation in the proper format for reimbursement;” “To provide technical assistance with any necessary cost analysis needed for reimbursement;” and “To work on behalf of The Town of Pearl River with GOHSEP to close out any PW’s” (Project Worksheets).

14. **BURKETTE** utilized, among others, the email address [REDACTED] to correspond with representatives of the Town of Pearl River about matters related to the Disaster Assistance contract.

15. Between in or about 2016 and on or about March 22, 2018, **BURKETTE** submitted approximately sixty-two (62) invoices to the Town of Pearl River requesting a total of at least \$629,761.25 for services he claimed to have provided related to the Disaster Assistance contract, for which **BURKETTE** received a total of approximately \$598,196.25 from the Town of Pearl River.

16. Between about August 21, 2017, and March 15, 2019, FEMA awarded the Town of Pearl River approximately \$9,215.00 of the funds the Town of Pearl River had paid to **BURKETTE**.

17. As a result of **BURKETTE**'s services, between about November 16, 2017, and March 15, 2019, the Town of Pearl River received a total of approximately \$76,766.49 in new disaster assistance funds from FEMA.

B. THE SCHEME TO DEFRAUD:

1. From in and around January 2016, and continuing until at least on or about April 24, 2018, in the Eastern District of Louisiana and elsewhere, **BURKETTE** devised and intended to devise a scheme and artifice to defraud the Town of Pearl River and to obtain money and funds from the Town of Pearl River by means of false and fraudulent promises, pretenses, and representations.

2. It was further a part of the scheme and artifice to defraud that **BURKETTE** made and caused to be made misrepresentations and material omissions to representatives of the Town of Pearl River in order to obtain disaster assistance work from the Town of Pearl River, to continue said work, and to obtain payment for his/GDRRS' invoices from the Town of Pearl River.

3. It was further a part of the scheme and artifice to defraud that **BURKETTE** made and caused to be made misrepresentations and material omissions to representatives of the Town

of Pearl River about his experience and success in assisting municipalities in identifying and obtaining grant funds.

4. It was further a part of the scheme and artifice to defraud that **BURKETTE** made and caused to be made misrepresentations and material omissions to representatives of the Town of Pearl River about the status of project worksheets and the amount of reimbursement the town stood to receive from FEMA in order to secure payment for invoices and to allow his continued work and billing.

5. It was further part of the scheme and artifice to defraud that **BURKETTE** made material misrepresentations to the Town of Pearl River about his communications with GOHSEP and FEMA, including by working on, reporting on, and submitting invoices for project worksheets that were closed by FEMA.

6. It was further a part of scheme and artifice to defraud that **BURKETTE** made material misrepresentations to the Town of Pearl River about his need to pay taxes in order to obtain full and prompt payment of his invoices when, in fact, after receiving payment of those invoices he failed to pay taxes on said income.

7. It was further a part of the scheme and artifice to defraud that **BURKETTE** made and caused to be made misrepresentations and material omissions to representatives of the Town of Pearl River, stating that FEMA would fully reimburse the Town of Pearl River for his paid invoices, when, in fact, he knew that FEMA had no such program to provide for full reimbursement of his services.

8. It was further a part of the scheme and artifice to defraud that, on or about March 28, 2016, **BURKETTE** told the Board of Aldermen for the Town of Pearl River his/GDRRS' fees would be reimbursed by FEMA in the amount of the federal cost share for the particular disaster

and that, as to Hurricane Katrina, FEMA would reimburse the Town of Pearl River for 100% of his fees. In fact, **BURKETTE** knew that the 100% reimbursement for Hurricane Katrina related to eligible, already-incurred repairs and that the 100% reimbursement rate had nothing to do with the services he/GDDRS had provided.

9. It was further a part of the scheme and artifice to defraud that, on or about March 28, 2016, at a public board meeting, **BURKETTE** intentionally misled the Board of Aldermen for the Town of Pearl River by falsely stating, among other things, that he had “led the state” and that he “developed a lot of the programs they are currently using now.”

10. It was further a part of the scheme and artifice to defraud that, on or about March 28, 2016, at a public board meeting, **BURKETTE** deceived the Board of Aldermen by stating that Homeland Security Presidential Directive 12 required any and all elected officials to complete certain training courses in order to be eligible for certain FEMA reimbursements and that he was able to provide such training to them. Thereafter, on or about May 17, 2016, **BURKETTE** caused a contractor with GDRRS to email the Town Clerk for the Town of Pearl River, stating that certain FEMA training courses were mandatory for government officers and that **BURKETTE** was certified to teach these courses. **BURKETTE** ultimately billed the Town of Pearl River approximately \$4,052.50 for these courses, knowing that they were not mandatory in order for the Town of Pearl River to be eligible for FEMA reimbursements.

11. It was further a part of the scheme and artifice to defraud that, on or about November 15, 2016, at a public board meeting, **BURKETTE** intentionally misled the Board of Aldermen for the Town of Pearl River by stating that all of his paid invoices were to be submitted for reimbursement to FEMA at the very end of the process in the form of a separate “Category Z” project worksheet, when, in fact, FEMA had specifically instructed that this was not a valid

methodology, that separate “Category Z” project worksheets were not appropriate, and that these costs should be submitted on a regular basis (as “direct administrative costs”), as incurred and paid.

12. It was further a part of the scheme and artifice to defraud that, on or about February 21, 2017, **BURKETTE** emailed the Town Clerk and Mayor of the Town of Pearl River, stating, “The estimated amount the Town should receive is somewhere between 2 & 5 million.”

13. It was further a part of the scheme and artifice to defraud that, on or about March 13, 2017, **BURKETTE** appeared before a special meeting of the Town of Pearl River’s Board of Aldermen, which was called specifically to address the funding of GDRRS invoices, and, when asked about the reimbursement for his fees, falsely stated to the mayor and Board of Aldermen, “Everybody else has always gotten it back.” **BURKETTE** further encouraged the resolution of the outstanding invoices so that he could pay his taxes, when, in fact, he did not pay taxes on the funds.

14. It was further a part of the scheme to defraud that **BURKETTE**, for the purpose of deceiving the Town of Pearl River into paying GDRRS invoices and to obtain authorization to do additional work, provided numerous misrepresentations via email to representatives/officials of the Town of Pearl River about the percentage of his fees that FEMA would reimburse.

15. It was further a part of the scheme and artifice to defraud that between March 1, 2016, and March 22, 2018, **BURKETTE**, despite knowing that the underlying disaster-assistance services were not subject to FEMA reimbursement in the manner he described, submitted at least, sixty-two (62) disaster assistance-related invoices to the Town of Pearl River for a total of

approximately \$629,761.25. Based upon **BURKETTE**'s representations, the Town of Pearl River paid fifty-seven (57) of these invoices for a total of approximately \$598,196.25.

C. THE WIRES:

On or about the dates set forth below, in the Eastern District of Louisiana and elsewhere, the defendant, **BURKETTE**, for the purpose of executing and attempting to execute a scheme and artifice to defraud and to obtain money, funds and property by false and fraudulent pretenses, representations and promises and attempting to do so, did knowingly cause to be transmitted by means of wire communication in interstate commerce the following writings, signs and signals:

Count	Date	Type of Wire
1	March 16, 2017	Deposit of Town of Pearl River Check [REDACTED] in the amount of \$129,930.50 into GDRRS Capital One, N.A. account [REDACTED] in Hammond, Louisiana.
2	April 28, 2017	Deposit of Town of Pearl River Check [REDACTED] in the amount of \$68,225.50 into GDRRS Capital One, N.A. account [REDACTED] in Slidell, Louisiana.
3	April 24, 2018	Email from BURKETTE to a representative of the Town of Pearl River stating, in relevant part, that, as to Hurricane Katrina, 100% of his fees would be reimbursed and that, as to Hurricane Isaac, 75% of his fees would be reimbursed.

All in violation of Title 18, United States Code, Section 1343.

NOTICE OF FORFEITURE

1. The allegations of Counts 1 through 3 of this Indictment are incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States.

2. As a result of the offenses alleged in Counts 1 through 3, the defendant, **CLARENCE "BILLY" BURKETTE**, shall forfeit to the United States pursuant to Title 18,

United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property real or personal which constitutes or is derived from proceeds traceable to said offenses.

3. If any of the above-described property, as a result of any act or omission of the defendant:

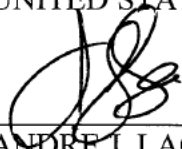
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

the United States shall seek a money judgment and, pursuant to Title 21, United States Code, Section 853(p), forfeiture of any other property of the defendant up to the value of said property.

A TRUE BILL:



DUANE A. EVANS
UNITED STATES ATTORNEY



ANDRE J. LAGARDE
Assistant United States Attorney
Louisiana Bar No. 28649

New Orleans, Louisiana
December 16, 2021