

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

**UNITED STATES OF AMERICA**

\*

**CRIMINAL NO. 21-53**

**V.**

\*

**SECTION: "I"**

**JAMES MOHAMAD**

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\* \* \*

## FACTUAL BASIS

If this case were to proceed to trial, the United States would prove the following facts beyond a reasonable doubt:

Beginning not later than about 2011, and continuing through March 11, 2020, **BRIAN MEDUS** worked as the assistant chief mechanical inspector for the City of New Orleans Safety and Permits Department. While employed as a mechanical inspector, **MEDUS** was responsible for, among other things, inspecting equipment and systems to ensure that work done by contractors was in compliance with the city and state building codes. In his capacity as a mechanical inspector, **MEDUS** was a “public employee” and a “person in a position of public authority” as those terms are defined under the laws of the State of Louisiana. *See* La. Rev. Stat. §14:118(B).

**JAMES MOHAMAD** was a heating, ventilation, and air conditioning (HVAC) contractor. He also worked for the City of Kenner as the Director of the Department of Inspection and Code Enforcement, and for a local company as a third party inspector. **MOHAMAD** did not have a license which was required to obtain permits from and perform HVAC work in the City of New Orleans. In an effort to evade this requirement, **MOHAMAD** paid approximately \$500.00 per

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contract to other licensed HVAC contractors to utilize their names and license numbers on fraudulent permit applications which were submitted to the City of New Orleans.

**MOHAMAD** and **MEDUS** utilized cellphones, facilities of interstate commerce, to communicate about permits and to schedule meetings. During meetings, **MOHAMAD** would pay **MEDUS** approximately \$300.00 in exchange for accepting and processing each fraudulent permit application for **MOHAMAD**. After receiving payment, **MEDUS** would issue, or cause to be issued, permits for **MOHAMAD** using someone else's name and license number. Subsequent to the work being completed, **MEDUS** would provide inspection reports for the property. In some instances, **MEDUS** also allowed **MOHAMAD** to inspect his own work as a third party inspector, which is a violation of state law.

The Government would further admit documentary evidence and the testimony of representatives of the City of New Orleans to establish that **MEDUS** utilized the City of New Orleans' internet-based LAMA system, a facility of interstate commerce, to alter city documents and submit material information that resulted in **MOHAMAD** receiving fraudulent permits. The LAMA system was also used by **MEDUS** to submit **MOHAMAD's** payments for the permits. LAMA is the city's parcel-based management system for permits, licenses and planning projects. The system accepts online payments and processes them through Authorize.net, which is located in California and records electronic deposits made by the city via the internet to J.P. Morgan Chase bank, which is located in Ohio. Additionally, once the application process is complete, the system sends an email notification to the customer.

For example, on or about January 24, 2019, **MEDUS** utilized LAMA to create and issue two fraudulent permits using the name and license number of Contractor #1 for a residential property on Delery Street in New Orleans, Louisiana. The scope of work to be completed was the installation of a new HVAC system. The work was completed by **MOHAMAD** and later inspected by **MOHAMAD**. **MOHAMAD** paid Contractor #1 for use of his name and license number.

On or about June 4, 2019, **MEDUS** utilized LAMA to create and issue two fraudulent permits using the name and license number of Contractor #2 for a residential property on Delery Street in New Orleans, Louisiana. The scope of work to be completed was the installation of a new HVAC system. The work was completed by **MOHAMAD** and later inspected by **MOHAMAD**.

In total, during the conspiracy, the bribe payments paid by **MOHAMAD** to influence **MEDUS'** conduct and cause him to take the official act of issuing fraudulent permits, and the payments made to contractors for the use of their licenses is approximately \$93,000.00.

Further, in years 2016, 2017, 2018, and 2019, **MOHAMAD** filed false individual tax returns. **MOHAMAD's** tax returns falsely stated his income, under penalties of perjury, by not including the money that was obtained from the operation of his business, J&J Sales Heating and Air Division, and income earned from real estate rentals. **MOHAMAD** knew that he had income from these businesses and was aware of his obligation to truthfully disclose all income received on his tax forms. However, he willfully provided false documents to his tax preparer which omitted substantial amounts of income. He failed to disclose the additional business income to avoid paying taxes. This resulted in an understated amount of tax due each year.

*jm*  
*BJM*  
*BC*

Specifically, on April 11, 2017, in the Eastern District of Louisiana, **MOHAMAD** electronically signed and filed a U.S. Individual Income Tax Return (Form 1040) for the calendar year 2016, which was verified by a written declaration that it was made under penalties of perjury. He stated that his Adjusted Gross income was \$53,666.00, knowing that he had unreported gross income of \$1,114,455.19.

On April 10, 2018, in the Eastern District of Louisiana, **MOHAMAD** electronically signed and filed a U.S. Individual Income Tax Return (Form 1040) for the calendar year 2017, which was verified by a written declaration that it was made under penalties of perjury. **MOHAMAD** stated that his Adjusted Gross Income was \$34,871.00, knowing that he had unreported gross income of \$1,624,795.31.

On March 22, 2019, in the Eastern District of Louisiana, **MOHAMAD** electronically signed and filed a U.S. Individual Income Tax Return (Form 1040) for the calendar year 2018 which was verified by a written declaration that it was made under penalties of perjury. **MOHAMAD** stated that his Adjusted Gross Income was \$107,518.00, knowing that he had unreported gross income of \$1,706,045.88.

On April 13, 2020, in the Eastern District of Louisiana, **MOHAMAD** electronically signed and filed a U.S. Individual Income Tax Return (Form 1040) for the calendar year 2019 which was verified by a written declaration that it was made under penalties of perjury.

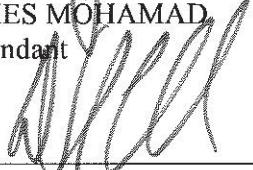


**MOHAMAD** stated that his Adjusted Gross Income was \$141,061.00, knowing that he had unreported gross income of \$1,567,128.19.

READ AND APPROVED:

  
\_\_\_\_\_  
JAMES MOHAMAD  
Defendant

3.8.2022  
Date

  
\_\_\_\_\_  
DAVID I. COURCELLE  
MICHAEL W. MAGNER  
Attorneys for Defendant

3.8.22  
Date

  
\_\_\_\_\_  
TRACEY N. KNIGHT  
Assistant United States Attorney

3/8/22  
Date