UNITED STATES DISTRICT COURT EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA * CRIMINAL NO. 10-157

v. * SECTION: "B"

HULON EUGENE PARSONS A/K/A GENE PARSONS

* * *

FACTUAL BASIS

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

The defendant, **HULON EUGENE PARSONS**, **A/K/A GENE PARSONS** ("PARSONS") has agreed to plead guilty as charged to the one-count Bill of Information charging him with violating Title 41, United States Code, Section 53, by knowingly and willfully accepting kickbacks in connection with a subcontract relating to a prime contract of the United States.

An agent from the Federal Bureau of Investigation ("FBI") would testify that on or about September 26, 2007, Walton Construction Company, LLC was awarded a contract with an agency of the Department of the Navy, the Naval Facilities Engineering Command Southeast ("the prime

contract"). Pursuant to the prime contract, Walton Construction Company, LLC, awarded a subcontract to Integrated Pro Services, LLC, which in turn awarded a subcontract to Boh Brothers Construction Company, LLC, ("Boh Brothers") headquartered in New Orleans, Louisiana, for the asphalt work on the Naval Air Station Joint Reserve Base Belle Chasse in Belle Chasse, Louisiana ("the NAS Belle Chasse subcontract").

A representative of Boh Brothers would testify that **PARSONS** was employed by Boh Brothers as a dispatcher in the trucking department and had the job responsibility of awarding trucking business to various trucking subcontractors in connection with Boh Brothers operations, including the NAS Belle Chasse subcontract.

Anthony Catalanotto was the principal in a trucking company which sought and received work as a trucking subcontractor of Boh Brothers. He would testify that for a period of approximately ten years prior to 2009, he sought work as a trucking subcontractor to Boh Brothers and dealt almost exclusively with **PARSONS**, who required him to pay kickbacks to obtain work as a subcontractor for Boh Brothers. Over the ten-year time span, Catalanotto estimates he paid approximately \$200,000 in kickbacks to **PARSONS**. Of the total amount paid, only a portion resulted in the award of business to Catalanotto on Boh Brothers' subcontracts relating to a prime contract of the United States.

In or about December 2008, Catalanotto decided he no longer was willing to pay kickbacks to **PARSONS** in return for being given work as a trucking subcontractor to Boh Brothers. After Catalanotto stopped paying kickbacks to **PARSONS**, the amount and frequency with which he was awarded work by Boh Brothers through **PARSONS** decreased dramatically. Because Boh Brothers was his only client, the decrease in work led to Catalanotto having to dispose of several trucks and

his company was on the verge of bankruptcy. **PARSONS** did award such work to other trucking subcontractors who, to Catalanotto's knowledge, continued to pay him kickbacks.

Catalanotto reported to the FBI the fact that he had been required to pay kickbacks to **PARSONS** to be awarded work as a trucking subcontractor to Boh Brothers. The FBI provided cash to him from which he paid three kickbacks to **PARSONS**. Catalanotto also recorded conversations between **PARSONS** and himself relating to those transactions.

A representative of Boh Brothers would testify that the Code of Ethical Conduct for Employees provides that acceptance by employees of money or anything tangible of value from material suppliers, subcontractors or others doing business with the company is strictly forbidden and the prohibition covers gifts, bribes and kickbacks. As a salaried employee of Boh Brothers, PARSONS was given a copy of the Code of Ethical Conduct and a copy was posted at his workplace, along with the number of a telephone hotline relating to it.

In speaking during the recorded conversations with PARSONS, Catalanotto indicated he was bringing PARSONS "change" when he was arranging a meeting so that cash payments could be made. In other conversations, Catalanotto would refer to the cash payments by saying he would bring PARSONS a "sandwich" or "lunch". Two meetings at which kickbacks were paid took place away from PARSONS' office, beyond a levee which obstructed any view of the transaction. One kickback was paid by Catalanotto at PARSONS' office when no one else was present or in a position to overhear their discussion or observe the transfer of the kickback.

In September 2009, after Catalanotto had been paid \$1,110 by Boh Brothers for work his company performed on the NAS Belle Chasse subcontract, he paid **PARSONS** a \$300 kickback. **PARSONS** then awarded Catalanotto an additional \$3,000 in trucking work on the NAS Belle Chasse subcontract, and Catalanotto paid **PARSONS** an additional \$600 in kickbacks.

During the period August 25, 2009 through September 29, 2009, **PARSONS** assigned Catalanotto work on the NAS Belle Chasse subcontract for which Catalanotto was paid the total sum of \$4,020 by Boh Brothers. **PARSONS** accepted three kickbacks from Catalanotto, each in the sum of \$300, on the following three dates: September 14, 2009, October 30, 2009, and November 6, 2009. In total, **PARSONS** accepted kickbacks from Catalanotto in the sum of \$900 during the period September through November, 2009, in connection with the NAS Belle Chasse subcontract.

During that same period of time a total of \$20,460 worth of trucking work on Boh Brothers jobs was awarded to Catalanotto by **PARSONS**. Of that total of \$20,460, the sum of \$4,020 related to a federal contract.

EILEEN GLEASON	Date
Assistant United States Attorney	
District of Columbia Bar No. 980511	
HARRY C. GRAHAM III	Date
Attorney for Defendant, Hulon Eugene Parsons	
J. KEVIN McNARY	Date
Attorney for Defendant, Hulon Eugene Parsons	
HULON EUGENE PARSONS	Date
Defendant	