

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

**UNITED STATES OF AMERICA** \* **CRIMINAL DOCKET NO. 11-140**

**V.** \* **SECTION: K**

**TORRANCE GREEN** \*

\* \* \*

**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 indictment now pending against the defendant:

The Defendant, **TORRANCE GREEN** (hereinafter “**GREEN**”) has agreed to plead guilty as charged to a one-count bill of information charging him with theft of government funds, in violation of Title 18, United States Code, Section 641.

An official from the Small Business Administration (“SBA”) would testify that SBA is an agency of the government of the United States of America. As a result of Hurricane Katrina, the SBA offered low interest disaster loans to victims of the Hurricane who incurred damage to their personal property, real estate and/or businesses. According to the SBA loan contract, after a loan closing, the SBA would disburse an initial \$10,000 on each loan. Additional disbursements required the applicant to submit certain documents to the SBA at 14925 Kingsport Road, Fort Worth, Texas for approval. For real estate construction or repair, the applicant was required to submit, among

other documents, a copy of a valid building permit or written evidence from a proper authority that a building permit was not required. Additionally, the loan contract required the applicant to assign any future insurance proceeds to the SBA.

A SBA agent would testify that prior to Hurricane Katrina, **GREEN** owned three residential rental properties located in New Orleans: 2120 Sere Street New Orleans, Louisiana 70122; 3002 Spain Street New Orleans, Louisiana 70122; and 2627 South Rocheblave, New Orleans, Louisiana 70116.

On August 29, 2005, Hurricane Katrina made land fall and impacted the Orleans Parish area where **GREEN'S** properties were located. As a result of damage to his properties, **GREEN** applied to the SBA, an agency of the United States of America, for a low interest disaster loan to repair the aforementioned rental properties. The business loan was approved for \$103,100.00 In accordance with the SBA loan contracts, SBA disbursed an initial \$10,000.00 on the loan to **GREEN**.

To obtain the balance of his business loan of \$93,100.00, **GREEN** submitted a fraudulent building permit for 2120 Sere Street to the SBA office in Fort Worth, Texas, on or about January 13, 2006, via facsimile (wire) communication. On or about January 26, 2007, **GREEN** also submitted via facsimile (wire) communication a copy of a fraudulent proposal from Lastrapes Construction to install new flooring, plumbing, and A/C units for 2627 South Rocheblave. This proposal indicated that the labor and materials would cost \$15,220.00. **GREEN** also submitted a falsified proposal from CRC Heating and Air via facsimile (wire) communication to the SBA office in Fort Worth, Texas, on or about January 26, 2007. The proposal from CRC Heating and Air was for the installation of new A/C units at 2120 Sere Street. This proposal indicated that the labor and materials for this job would cost \$18,300.00. The SBA, relying on the building permits and

proposals mentioned above, disbursed the remaining loan proceeds to **GREEN's** bank account with Hibernia Bank by multiple wire transfers from the United States Treasury Department.

Sometime after the loan was closed, special agents with the SBA Office of Inspector General determined that **GREEN** made several material false statements to the loan officer that was handling his loan, which caused the SBA to fund his disbursement requests under false pretenses. As part of the investigation into **GREEN's** fraudulent conduct, special agent John Anderson met with an employee of the Department of Safety and Permits for the City of New Orleans to determine if certain building permits that **GREEN** forwarded to the SBA for his rental properties were valid. After researching the department's records, an employee for the city was able to confirm that the aforesaid building permits were, in fact, fraudulent. Agent Anderson also discovered that **GREEN** faxed several fraudulent proposals to the SBA for repair work that was to be performed on his properties. The proposals were purportedly issued to **GREEN** by Lastrapes Construction and CRC Heating and Air. Accordingly, agent Anderson interviewed the owners of Lastrapes and CRC to determine if the proposals were legitimate. The owners of both companies confirmed that the proposals were fraudulent, and that they never performed any repair work for **GREEN**.

In addition to submitting false documents to the SBA, **GREEN** also failed to turn over the insurance proceeds he received from Allstate Insurance Company for his properties to the SBA, which was required by the SBA loan agreement. Agent Anderson was able to confirm through an Allstate insurance agent that **GREEN** did, in fact, receive \$86,997.70 from Allstate for the damage caused by Hurricane Katrina to 2120 Sere Street and 2627 South Rocheblave Street.

After being notified that he was under investigation with the SBA for stealing government funds, **GREEN** voluntarily met with special agent Lou Dessell on several occasions to discuss the

matter. During those meetings, **GREEN** admitted that he sent fraudulent building permits and construction proposals to the SBA to induce them to disburse the balance of the disaster loan to him. He also admitted that he violated the terms of the loan agreement by failing to turn over the insurance proceeds that he received from Allstate to the SBA.

**GREEN** also provided the Special Agent with copies of cancelled checks and receipts from various contractors and hardware stores. Those receipts and cancelled checks totaled \$157,273.00 in labor and materials that **GREEN** asserts he spent to repair the three properties. In an effort to confirm **GREEN's** claims that he spent the SBA and insurance funds he received to repair the subject properties, a special agent with the SBA contacted Eugene Lawrence, the owner/operator of E-1 Electric Service Company, to determine if he had done any work for **GREEN**. Mr. Lawrence confirmed that he rewired all three homes for **GREEN** in 2006, and that he recalls charging him approximately \$23,830.00 for all three jobs.

On or about October 21, 2008, **GREEN** defaulted on his SBA loan. In order to determine the value of the properties for foreclosure purposes, the SBA ordered appraisals on the Spain Street and Sere Street properties. Both properties were appraised by ValueFinders, a California based real estate appraisal firm. ValueFinders prepared appraisals reports for each property on October 29, 2009. The reports indicated that both properties were in good condition at that time.

Additionally, pictures were taken of all three properties on or about November 29, 2007, by special agent John Anderson. The pictures show that all three properties had been repaired.

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SPIRO LATSIS  
Assistant United States Attorney

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Date

\_\_\_\_\_  
TORRANCE GREEN  
Defendant

\_\_\_\_\_  
Date

\_\_\_\_\_  
SAM SCILLITANI  
Attorney for the Defendant

\_\_\_\_\_  
Date