

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

|                                 |       |                                    |
|---------------------------------|-------|------------------------------------|
| <b>UNITED STATES OF AMERICA</b> | *     | <b>CRIMINAL DKT. NO. 11-237</b>    |
| <b>v.</b>                       | *     | <b>SECTION: "S"</b>                |
| <b>VERNON JOHN PONDER, JR.</b>  | *     | <b>VIOLATIONS: 18 U.S.C. § 641</b> |
|                                 | * * * |                                    |

**FACTUAL BASIS**

The Defendant, **VERNON J. PONDER**, has agreed to plead guilty as charged to the pending bill of information in the above-captioned case charging him with one count of theft of government funds in violation of Title 18, United States Code, Section 641.

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 **VERNON JOHN PONDER, JR.:**

Representatives of the State of Mississippi, Mississippi Development Authority ("MDA"), and the United States Department of Housing and Urban Development ("HUD") would testify that after Hurricanes Katrina made landfall in south Mississippi and southeastern Louisiana on August 29, 2005, the Congress of the United States of America, with the concurrence, signature, and agreement of the President of the United States, passed an act appropriating government funds to HUD for disaster relief federal benefits or Community Development Block Grant ("CDBG") for Mississippi hurricane victims. The purpose of this CDBG money was to assist and aid owners of property damaged or destroyed by, in this instance, Hurricane Katrina in August of 2005.

HUD prepared the rules and regulations governing the disbursement of the grant money through the state programs. In Mississippi, the grant money was disbursed by the Mississippi Development Authority (“MDA”) through a Homeowner Assistance Program grant (“MDA HAP”). MDA HAP is the federal program funded through the United States Department of Housing and Urban Development and administered by the State of Mississippi. The MDA HAP grant was designed to offer some financial relief to homeowners who were outside the designated flood zones at the time Hurricane Katrina hit the United States Gulf Coast on August 29, 2005. There were four basic criteria a homeowner must have met in order to qualify for such a Phase II MDA HAP grant: 1) The homeowner owned and occupied the home as their primary residence on August 29, 2005; 2) The home was located in one of the Mississippi counties of Harrison, Hancock, Jackson or Pearl River; 3) The home received flood surge damage as a result of Hurricane Katrina; and 4) The homeowner homeowner’s household income was at or below 120% of the Area Median Income (AMI).

Evidence from representatives of HUD, MDA, and the United States Small Business Administration (“SBA”), would be introduced to prove that on or about November 29, 2006, **VERNON JOHN PONDER, JR.**, applied for the Mississippi State Grant benefit through MDA, at the Hancock County, Mississippi site, claiming his home was damaged as a result of Hurricane Katrina. The application for the grant included the certification of occupancy by **VERNON JOHN PONDER, JR.**, at the time of the storm on August 29, 2005, and indicated the damaged address as 4067 South Nassau Street, Bay St. Louis, Mississippi.

Evidence would further be introduced to prove that on or about February 27, 2007, a Dwelling Assessment was prepared for MDA based upon an inspection and evaluation of the

claimed damaged to the Bay St. Louis, Mississippi, residence suffered as a result of Hurricane Katrina. As a result of the fraudulent representations as to primary residency and owner occupancy on his application indicating the Bay St. Louis address as his primary residence on the date of the storm on August 29, 2005; and the inspection, **VERNON JOHN PONDER, JR.**, received a check dated August 20, 2007, for \$100,000 from the MDA.

Agents from the Department of Housing and Urban Development, Office of Inspector General (“HUD-OIG”), and the United States Small Business Administration, Office of Inspector General (“SBA-OIG”), would testify that during a cross reference check by ICF with the MDA, the name of **VERNON JOHN PONDER, JR.**, came up as having applied for state benefits from both the Louisiana and Mississippi grant programs for disaster assistance for damages sustained to a primary residence that was owner occupied as a result of Hurricane Katrina; **VERNON JOHN PONDER, JR.**, claimed a different address in each respective state’s grant program as his primary residence. ICF forwarded the information to HUD-OIG who then contacted the other agencies on the Mississippi Hurricane Katrina Task Force.

Thereafter, it was determined that several other agencies also received applications for disaster assistance from **VERNON JOHN PONDER, JR.**, using the Mississippi address. HUD-OIG and SBA-OIG agents would testify that during their investigation they determined that **VERNON JOHN PONDER, JR.**, had a Louisiana residence at 148 Normandy Avenue, Harahan, Louisiana, as well as the Bay St. Louis residence. HUD-OIG and SBA-OIG agents would testify that in addition to their respective agency’s investigations, they interviewed representatives of the MDA and the Federal Emergency Management Agency (“FEMA”), and determined that **VERNON JOHN PONDER, JR.**, claimed in applications to MDA and FEMA,

as well as SBA, that the Bay St. Louis, Mississippi, address was his primary residence at the time of Hurricane Katrina.

Additionally, SBA-OIG agents would testify that their investigations of the garbage and water services to the Mississippi residence indicated that **VERNON JOHN PONDER, JR.**, was the account holder and the bill for the account was mailed to the Mississippi house address. **VERNON JOHN PONDER, JR.**, did have homestead exemption on the Mississippi house since 2004, but he also had an exemption on the Louisiana home since 1985. The investigation also revealed that **VERNON JOHN PONDER, JR.**, did have a Mississippi driver's license reflecting the Mississippi address, which was issued in October of 2002 and expired in October 2006. However, the license was issued prior to **VERNON JOHN PONDER, JR.**, owning the home as he indicated when interviewed that he acquired the house in 2003 from his father and indicated that he did not begin staying in the house until approximately December of 2004. The voter registration and vehicle registration did not provide any ties either being current or as of 2005 tying **VERNON JOHN PONDER, JR.**, to the Mississippi house.

Agents also investigated with the United States Postal Service whether or not **VERNON JOHN PONDER, JR.**, had changed his mailing address from his Louisiana address to his Mississippi address, and it was determined that he had not. Similarly, investigations with the Louisiana voter registration office provided that **VERNON JOHN PONDER, JR.**, was a registered voter in Louisiana and has been since before 2005 and up to the date of the investigation of July 24, 2008.

SBA-OIG agents would also testify that they interviewed neighbors near the primary residence claimed by **VERNON JOHN PONDER, JR.**, in Bay St. Louis, Mississippi, who

informed them, and who would testify, that **VERNON JOHN PONDER, JR.**, was a “weekender” as opposed to a permanent resident at the Mississippi address in issue.

Finally, in or about October 7, 2008, agents from HUD-OIG and SBA-OIG interviewed **VERNON JOHN PONDER, JR.**, regarding his claims in his applications to the SBA, MDA, and FEMA, that the Bay St. Louis, Mississippi, address was his primary residence on the date of Hurricane Katrina. **VERNON JOHN PONDER, JR.**, stated at this interview that based on all the evidence that the Mississippi house was not his primary residence and that the Louisiana residence really was his primary residence. The wife of **VERNON JOHN PONDER, JR.**, was also at this October 7, 2008, interview and she also agreed that the Mississippi home was not his primary residence at the time of Hurricane Katrina.

Thus, in total, **VERNON JOHN PONDER, JR.**, as a direct result of his actions, fraudulently applied for and received approximately \$117,102.63 in federal disaster funds; specifically, he received from the SBA, the amount of \$10,000.00; he received on or about August 20, 2007, from HUD/MDA the amount of \$100,000.00, and he received from FEMA the amount of \$7,102.63. The testimony of SBA representatives would reflect that **VERNON JOHN PONDER, JR.**, has previously willingly repaid the entire \$10,000.00 to SBA as of September 23, 2008. The testimony of representatives of HUD/MDA would reflect that on or about March 17, 2011, **VERNON JOHN PONDER, JR.**, willingly presented a check which he mailed to the MDA Disaster Recover Division to be processed in the amount of \$40,000.00 in partial repayment of funds owed; and, therefore, the amount still outstanding once the check processes on the HUD/MDA grant money would have a total balance of \$60,000.00. Finally,

representatives of FEMA would testify that **VERNON JOHN PONDER, JR.**, still owes an outstanding amount of funds and restitution to it in the amount of \$7,102.63.

The credible testimony of agents from HUD/MDA, SBA, and FEMA, as agency Applications and other corresponding documents generated by HUD/MDA, FEMA, and the SBA, as well as copies of financial statements of **VERNON JOHN PONDER, JR.**, in addition to **VERNON JOHN PONDER, JR.**'s own confession to agents of HUD, would be introduced into evidence through competent testimony to prove beyond a reasonable doubt the facts stated above evidencing violations of 18 U.S.C. § 641.

\_\_\_\_\_  
Spiro G. Latsis  
Assistant United States Attorney  
LA Bar Roll No. 24517

\_\_\_\_\_  
Date

\_\_\_\_\_  
VERNON J. PONDER, JR.  
Defendant

\_\_\_\_\_  
Date

\_\_\_\_\_  
PROVINO MOSCA  
Attorney for the Defendant Vernon J. Ponder, Jr.  
LA Bar Roll No. 8437

\_\_\_\_\_  
Date