

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

**UNITED STATES OF AMERICA**

\*

**CRIMINAL NO: 11-247**

v.

\*

**SECTION: "J"**

**TORIS YOUNG**

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\*   \*   \*

**FACTUAL BASIS**

Should this case were to proceed to trial, both the Government and the defendant, **TORIS YOUNG**, do hereby stipulate and agree that the following facts set forth a sufficient factual basis for the crimes to which the defendant is pleading guilty. The Government and the defendant would further stipulate that 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.

Hurricane Katrina made landfall in Louisiana on August 29, 2005, and caused widespread damage to the Gulf Coast region of Louisiana. In response to the devastation, several federally funded programs were established to assist organizations that wanted to rebuild damaged properties. The United States Small Business Administration ("SBA") was an agency of the United States of

America providing disaster assistance loans to Hurricane Katrina victims. The SBA was administered and funded by the United States of America.

Before an applicant receives any SBA loan funds, the applicant must participate in a loan closing, where the terms of the loan are determined. After the closing, the SBA typically disburses an initial payment to the loan recipient. For a loan recipient to receive subsequent payments, up to the amount of the loan for which the recipient was approved, the recipient must submit additional documentation to the SBA. In the case of real estate construction or repair, the additional documentation includes evidence, such as receipts to show the funds that have been spent for the repair or replacement of the disaster-damaged real estate, or estimates to show that the funds are necessary to complete the construction or repair project.

From a time unknown but prior to and including August 2005, the defendant, **TORIS YOUNG** (hereinafter “**YOUNG**”), was the pastor of the Bible Way Baptist Church, a non-profit organization registered in the state of Louisiana, located at 2936-2942 Joliet Street, New Orleans, Louisiana, in the Eastern District of Louisiana. As a result of alleged Hurricane Katrina damage to the Bible Way Baptist Church property, **YOUNG**, as the pastor and representative of the Bible Way Baptist Church, applied to the SBA for a low interest disaster loan on behalf of the Church on or about September 10, 2005. The SBA approved an initial property loan in the amount of \$500,000.

On or about November 18, 2005, **YOUNG** executed an SBA Loan Authorization and Agreement on behalf of Bible Way Baptist Church where he agreed that the loan proceeds would be used solely to reconstruct the disaster destroyed Bible Way Baptist Church. Although the Bible Way Baptist Church had a bank account at Hope Credit Union, **YOUNG** opened a business checking account, account number x0851, in the name of Bible Way Baptist Church, at Bank of America on or about November 25, 2005. **YOUNG** was the only authorized signatory on this account. On or

about the same date, **YOUNG**, with the intent to deceive the SBA, submitted to the SBA, documents purporting to be copies of the flood insurance policy and fire and hazard insurance policy for the Bible Way Baptist Church, with an address of 2934-2942 Joliet Street, New Orleans, Louisiana, and a check showing a purported payment to “Ryan Warner and Associates,” for these policies, when, in fact, **YOUNG** knew that he did not purchase these policies. On or about November 30, 2005, **YOUNG** submitted to the SBA via facsimile a form authorizing the SBA to electronically transfer funds from the disaster loan into his Bank of America checking account number x0851. The SBA electronically transferred funds in the amount of \$15,000 into Bank of America, account number x0851, on or about December 22, 2005.

To support additional disbursements of the SBA loan funds, **YOUNG** submitted to the SBA via facsimile and the mail several fraudulent invoices, estimates, cancelled checks, paid receipts, and fraudulent documents pertaining to the Bible Way Baptist Church and the church property. For example, on or about May 23, 2006, **YOUNG** submitted a letter to the SBA informing the SBA that he had spent over \$655,240.30 thus far in rebuilding the Bible Way Baptist Church. **YOUNG** submitted a fraudulent invoice from Allied Steel with the letter. In the same letter, **YOUNG** requested a loan increase in the amount of \$400,000 for alleged increased costs of materials and costs of labor.

As a result of a loan increase requested by **YOUNG** and his submission of the fraudulent documents, the SBA mailed a letter to **YOUNG** on or about September 6, 2006, notifying him that his loan was increased in the amount of \$463,900 for a total loan amount of \$963,900, which was to be used solely to reconstruct the disaster destroyed Bible Way Baptist Church located at 2936-2942 Joliet Street, New Orleans, Louisiana. On or about October 9, 2006, in the Eastern District of

Louisiana, **YOUNG**, for the purpose of executing and attempting to execute a scheme and artifice to defraud the SBA and to obtain money and property from the SBA by means of false and fraudulent pretenses, representations, and promises, did knowingly cause to be delivered by FedEx Express, a private and commercial interstate carrier, according to the directions thereon, an envelope containing several documents, including but not limited to the fraudulent Resolution of Board of Directors of Bible Way Baptist Church and fraudulent written construction invoices, and addressed and mailed from 365 Land St, Ste. 2670, New Orleans, Louisiana 70130, to the U.S. Small Business Administration at 14925 Kingsport Rd., Fort Worth, Texas 76155. FedEx Express is an interstate common carrier that delivers packages and envelopes throughout the United States. The SBA relied on these fraudulent documents submitted by **YOUNG** to disburse the final loan payment on or about October 12, 2006, by electronic transfer in the amount of \$463,900 into Bank of America, account number x0851.

**YOUNG** did not use the SBA loan proceeds to rebuild the Bible Way Baptist Church. When the loan was charged off for non-payment in 2009, the SBA ordered an appraisal of the Bible Way Baptist Church property, which revealed that the parcel was vacant with overgrown grass. A review of the bank records for Bank of America, account number x0851, and other Bank of America accounts opened by **YOUNG** to where the SBA loan funds were transferred show that **YOUNG** used the loan funds for his own personal use, such as purchasing jewelry, vehicles, and real estate, and paying credit card debt and designer clothing retailers.

By engaging in the behavior outlined above, **YOUNG** did knowingly embezzle, steal, purloin, and convert to his own use SBA benefits to which he knew he was not entitled. As a result of his false representations, between on or about December 22, 2005, and on or about October 12,

2006, **YOUNG** received \$963,900 in federal funds from the SBA.

The Government would prove that the amount of restitution for the purposes of these offenses is at least approximately \$963,900.

**APPROVED AND ACCEPTED:**

\_\_\_\_\_  
Date

\_\_\_\_\_  
TORIS YOUNG  
Defendant

\_\_\_\_\_  
Date

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GEORGE CHANEY, JR.  
Attorney for Defendant

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Date

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LOAN "MIMI" NGUYEN  
Assistant United States Attorney