

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA	* CRIMINAL NO.: 14-86
v.	* SECTION: "J"
FRED DOUGLAS BROOKS III	* VIOLATIONS: 21 USC § 846 18 USC § 1956(h)

\* \* \*

FACTUAL BASIS

Had this matter proceeded to trial, the government would have proven beyond a reasonable doubt, through the introduction of relevant, competent, and admissible testimony and other evidence, the following facts to support the allegations against the defendant, **FRED DOUGLAS BROOKS III** a/k/a "PJ" (hereinafter, "**BROOKS**").

Beginning at some time prior to March 2012, and continuing through June 2014, **BROOKS** conspired with others to distribute large quantities of heroin within the Eastern District of Louisiana and elsewhere. In furtherance of the conspiracy, **BROOKS** used Forward Air, a common carrier service, to ship multi-kilogram packages of heroin to the Kenner, Louisiana, location of Forward Air. **BROOKS** also hired DAVID HUMPHRIES a/k/a "Teacher" and JERMAINE REYNOLDS a/k/a "Head" to act as his heroin and bulk cash couriers. On several occasions, at **BROOKS'** direction, either HUMPHRIES or REYNOLDS

would pick up a heroin shipment from Forward Air and deliver it to **BROOKS'** heroin customers, including ANTHONY GIBSON a/k/a "Toine" and STANLEY FULTON a/k/a "Big Man."

In late December 2013, **BROOKS** instructed HUMPHRIES to deliver approximately three kilograms of heroin to GIBSON in Kenner, Louisiana. HUMPHRIES picked up the heroin from Forward Air and delivered it to GIBSON. HUMPHRIES also picked up a bulk cash payment on behalf of **BROOKS**.

On January 22, 2014, Drug Enforcement Administration agents executed search warrants at an apartment and storage facility used by GIBSON and recovered approximately two and one-quarter kilograms of heroin.

In late January 2014, **BROOKS** again sent HUMPHRIES to deliver heroin to his New Orleans area customers. HUMPHRIES drove to the Forward Air location in Kenner, Louisiana, and picked up a package containing approximately five kilograms of heroin. HUMPHRIES was not able to deliver the package to **BROOKS'** New Orleans area customers, so **BROOKS** instructed HUMPHRIES to send the shipment to another location through Forward Air.

In late February and early March 2014, REYNOLDS contacted **BROOKS** regarding REYNOLDS' personal financial problems and desire to expand his scrap metal business. **BROOKS** asked REYNOLDS to meet with him in person. At the time, **BROOKS** was living near Houston, Texas, and REYNOLDS was living near Gulfport, Mississippi. In early March 2014, they met at a casino in Lake Charles, Louisiana. During the meeting, **BROOKS** offered to pay REYNOLDS to begin making deliveries of heroin to STANLEY FULTON in the New Orleans area and picking up cash payments for the heroin. REYNOLDS agreed. **BROOKS** explained that he used a service called "Forward Air" to ship heroin to the New Orleans area,

and that he had also leased a storage unit in the New Orleans area which was to be used as a stash location for heroin and currency. **BROOKS** provided REYNOLDS with a key to the storage unit, which was located at Elmwood Self Storage and Wine Cellarin Harahan, Louisiana, and leased to **BROOKS** under a false name. Thereafter **BROOKS** also supplied REYNOLDS with FULTON's phone number.

It was agreed that REYNOLDS would supply approximately one kilogram of heroin to FULTON per delivery, and FULTON would pay approximately half of the purchase price upon delivery. **BROOKS** charged FULTON approximately \$70,000.00 per kilogram of heroin. As part of his agreement with **BROOKS**, REYNOLDS would be paid \$2,500.00 by FULTON upon delivery of the heroin. REYNOLDS would also keep an additional \$1,000.00 from the bulk currency heroin payment received from FULTON at the time of delivery. REYNOLDS would also arrange to meet with FULTON at a later date to pick up the remaining amount owed on FULTON's outstanding heroin debt to **BROOKS**.

In March 2014, REYNOLDS, at **BROOKS'** instruction, traveled from his residence near Gulfport to the Kenner, Louisiana, location of Forward Air and picked up a package containing approximately one kilogram of heroin. REYNOLDS then contacted FULTON and arranged to meet him at a parking lot in the New Orleans area. When they met, REYNOLDS transferred the Forward Air package containing heroin to FULTON's vehicle, and FULTON handed REYNOLDS a paper bag containing approximately \$40,000.00 in bulk currency stuffed inside a sock. REYNOLDS then brought the currency to **BROOKS'** storage unit in Harahan and left the currency within the unit. Within a few days, **BROOKS** traveled to New Orleans and met with REYNOLDS to pick up the key for the storage unit and collect the currency.

In or around early April 2014, FULTON let REYNOLDS know that he was ready to make a payment on his outstanding heroin debt to **BROOKS**, and they agreed to meet in the parking lot of a Home Depot in Slidell, Louisiana. When they met, FULTON handed REYNOLDS a sock containing bulk currency for **BROOKS**, plus an additional \$2,500.00 in currency as a delivery fee for REYNOLDS. REYNOLDS then returned to Mississippi. **BROOKS** told REYNOLDS that he was expecting \$35,000.00 from FULTON, but REYNOLDS later counted the money and found it to be approximately \$21,000.00. At **BROOKS**' instruction, REYNOLDS deposited \$20,000.00 of this money into a Wells Fargo account in the name of "Three Busy B's LLC," a 'front' cleaning business operated by **BROOKS** in the Houston area. To accomplish this transaction, first REYNOLDS deposited \$20,000.00 in currency into his own personal bank account at Keesler Federal Credit Union in Gulfport, Mississippi, and drew a cashier's check from the bank in the amount of \$20,000.00 payable to "Three Busy Bee's LLC," on April 5, 2014. REYNOLDS then deposited the cashier's check into **BROOKS**' Three Busy B's account #9164 at a Wells Fargo branch in Gulfport, Mississippi.

In or around April 2014, **BROOKS** sent a courier to Mississippi to return the storage unit key to REYNOLDS. In early May 2014, **BROOKS** instructed REYNOLDS to again travel to Forward Air in Kenner, Louisiana, to pick up a package of heroin. **BROOKS** indicated that the package contained four-and-a-half kilograms of heroin, and that REYNOLDS was to deliver one kilogram of heroin to FULTON and put the remainder in the Harahan storage unit. REYNOLDS picked up the package and brought it to the storage unit. Inside the storage unit, REYNOLDS found a kilogram package of heroin in an opened box. REYNOLDS left the Forward Air box in the unit and delivered the separate kilogram package to FULTON. REYNOLDS and FULTON

agreed to meet in the Lower Ninth Ward neighborhood of New Orleans. During the transaction, REYNOLDS handed the kilogram package of heroin to FULTON, and FULTON handed REYNOLDS a sock containing approximately \$35,000.00 in currency, plus an additional \$2,500.00 in currency as a delivery fee for REYNOLDS. REYNOLDS returned to the Gulfport area and brought the currency to his residence in Long Beach, Mississippi. At **BROOKS'** instruction, REYNOLDS deposited some of these funds into **BROOKS'** American Express credit card account, after first depositing the currency into REYNOLDS' own Keesler Federal Credit Union bank account and drawing cashier's checks payable to "American Express." REYNOLDS also began making deposits of approximately \$8,000.00 currency directly into **BROOKS'** Wells Fargo accounts.

Within a few weeks, FULTON let REYNOLDS know that he was ready to make another payment on his outstanding heroin debt to **BROOKS**, and they agreed to meet again in the Lower Ninth Ward neighborhood of New Orleans. When they met, FULTON handed REYNOLDS a sock containing bulk currency for **BROOKS**, plus an additional \$2,500.00 in currency as a delivery fee for REYNOLDS. REYNOLDS returned to the Gulfport area and brought the currency to his residence in Long Beach. During this time period and until near the time of REYNOLDS' arrest in July 2014, REYNOLDS continued to deposit these funds in amounts smaller than \$10,000.00 into **BROOKS'** Wells Fargo and/or American Express accounts at **BROOKS'** instruction.

In June 2014, REYNOLDS, at **BROOKS'** instruction, traveled from the Gulfport area to **BROOKS'** storage unit in Harahan and picked up one-half kilogram of heroin. REYNOLDS then delivered the heroin to FULTON in the New Orleans area and received \$2,500.00 in currency as a delivery fee, but received no payment for the heroin. REYNOLDS subsequently

communicated with FULTON and agreed to meet him near Flood and Law Streets in New Orleans, where FULTON handed REYNOLDS a sock containing approximately \$35,000.00 in currency. REYNOLDS returned to the Gulfport area and brought the currency to his residence in Long Beach. REYNOLDS continued to make deposits into **BROOKS'** accounts using these monies received from FULTON as heroin payments.

On July 1, 2014, agents conducted a lawful search of REYNOLDS' residence located at 8 Thrivent Lane in Long Beach, Mississippi. During the search, agents located \$32,900.00 in currency and several receipts and communications corroborating REYNOLDS' financial transactions using the currency that REYNOLDS had picked up from FULTON on behalf of **BROOKS**.

On July 8, 2014, agents conducted a lawful search of **BROOKS'** storage unit located at Elmwood Self Storage and Wine Cellar, Harahan, Louisiana. During the search, agents found a cargo container utilized in **BROOKS'** Forward Air heroin shipments, packaging material, plastic kilogram brick wrappers, and a laundry receipt in REYNOLDS' name with handwritten notes regarding the storage unit.

All of the transfers of heroin proceeds by REYNOLDS to **BROOKS** via bank deposits and credit card payments were designed to conceal and disguise the nature, location, source, ownership, and control of the proceeds of **BROOKS'** heroin sales to FULTON. The total amount of these transfers was approximately \$100,000.00.

JASON PAYNE a/k/a "Fam" was another wholesale heroin customer of **BROOKS'** who operated primarily in the area of Youngstown, Ohio. On several occasions, **BROOKS** directed a known heroin courier to deliver heroin to PAYNE in Youngstown, Ohio. **BROOKS** also directed another known courier to meet PAYNE to receive bulk currency payments for the

heroin on behalf of **BROOKS**. During the course of the investigation, intercepted calls and electronic messages between PAYNE and other co-conspirators demonstrated that PAYNE was arranging with **BROOKS** and others to receive the heroin deliveries and to provide bulk currency payments for the heroin.

In or around February 2014, a known courier of **BROOKS**' delivered approximately two kilograms of heroin to PAYNE in Youngstown, Ohio. Approximately two to three weeks later, another known courier of **BROOKS**' picked up a bulk currency heroin debt payment from PAYNE.

In or around early 2014, **BROOKS** introduced PAYNE to one of **BROOKS**' known sources of supply for heroin (hereinafter, "Source"). This Source subsequently delivered multi-kilogram quantities of heroin to PAYNE and picked up bulk currency heroin payments from PAYNE. At this time, PAYNE was being charged approximately \$65,000.00 in U.S. currency per kilogram of heroin. Heroin deliveries to PAYNE and payments from PAYNE were arranged either through **BROOKS** or directly with the Source.

In or around April 2014, the Source delivered approximately three kilograms of heroin to PAYNE in Youngstown, Ohio, concealed inside a car battery.

#### **Drug Quantities**

The Government and the defendant agree and stipulate that the defendant should be held accountable for more than thirty (30) kilograms of heroin but not more than ninety (90) kilograms of heroin as this amount of heroin was bought and sold by the defendant as part of the overall scope of the drug conspiracy from March 2012 through June 2014.

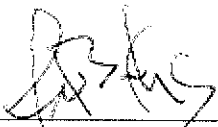
**Prior Felony Drug Conviction**

The defendant acknowledges and stipulates that he was previously convicted of a felony drug offense, conspiracy to distribute heroin and cocaine in violation of Title 21, United States Code, Section 846, in the United States District Court for the District of Maryland, case number 03-0396, and sentenced on or about September 2, 2003.

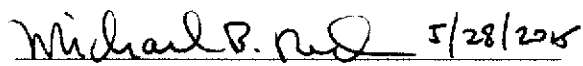
**Limited Nature of Factual Basis**

This proffer of evidence is not intended to constitute a complete statement of all facts known by the defendant, **FRED DOUGLAS BROOKS III**, but rather is a minimum statement of facts intended to prove the necessary factual predicate for the guilty plea. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for the defendant's plea of guilty to Counts 1 and 2 of the Superseding Indictment.

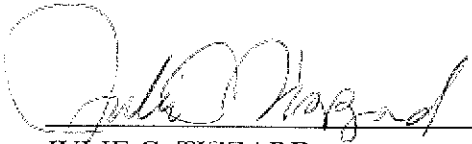
**APPROVED AND ACCEPTED:**



\_\_\_\_\_  
FRED DOUGLAS BROOKS III (date)  
Defendant



\_\_\_\_\_  
MICHAEL B. REDMANN (date)  
Assistant United States Attorney



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JULIE C. TIZZARD (date)  
Counsel for Fred Douglas Brooks III