

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

**FELONY**

**BILL OF INFORMATION FOR CONSPIRACY TO COMMIT THEFT IN  
CONNECTION WITH A PROGRAM RECEIVING FEDERAL FUNDS**

UNITED STATES OF AMERICA	*	CRIMINAL NO.
	*	SECTION:
v.	*	VIOLATION: 18 U.S.C. § 371
JANICE STAVES	*	
JAMES YOUNGBLOOD	*	
	*	

The United States Attorney charges that:

**COUNT 1**

*(Conspiracy to Commit Theft in Connection with a Program Receiving Federal Funds)*

**A. AT ALL TIMES MATERIAL HEREIN:**

**Housing Authority of New Orleans (HANO)**

1. The Housing Authority of New Orleans (hereinafter "HANO"), a political subdivision of the State of Louisiana, was a local government agency that received federal funding in excess of \$10,000 annually.
2. The mission and purpose of HANO was to provide housing and housing services to qualified, underprivileged citizens living within the City of New Orleans.

3. In order to achieve its mission, HANO routinely contracted with private businesses to provide products to and perform services for the multitude of properties under its control in an effort to keep the properties adequately maintained, secure and habitable.

4. In order for HANO to contract with and pay funds to these private businesses, the business must have been an “approved” vendor. Because the funds being paid by HANO are government funds, pre-approval of the vendor prior to contracting is necessary in order to insure that these public funds are being spent on quality products and/or services.

**Defendant - JANICE STAVES**

5. On or about April 21, 1980, **JANICE STAVES** was hired by HANO and worked there until her departure on June 1, 2009.

6. From on or about January 16, 1992 and continuing through on or about June 1, 2009, **JANICE STAVES** served as the Purchasing Clerk for HANO and as a result, was an employee of a state or local government or department and agency thereof and, at all times material to this bill of information, was acting in her official capacity.

**Defendant - JAMES YOUNGBLOOD**

7. Defendant **JAMES YOUNGBLOOD** previously worked at HANO from 1972 through 2003. He owned and operated Youngblood and Youngblood Construction, LLC at all times material to this bill of information.

8. Neither **YOUNGBLOOD** nor Youngblood and Youngblood Construction, LLC provided any services to HANO during the periods material to this bill of information.

**B. THE CONSPIRACY:**

Beginning in or near April, 2007, and continuing through in or near May, 2009, in the Eastern District of Louisiana, and elsewhere, the defendant, **JANICE STAVES**, being an agent of an organization, hereinafter listed, which received, during the period described above, benefits in excess of \$10,000 under Federal programs involving grants, contracts, subsidies, loans, guarantees, and other forms of Federal assistance, from the Department of Housing and Urban Development, did knowingly and willfully combine, conspire, confederate and agree with **JAMES YOUNGBLOOD** to embezzle, steal, obtain by fraud, intentionally misapply and otherwise without authority knowingly convert to the use of any person other than the rightful owner, property valued at \$5,000 or more, that is, United States currency, that was owned by and under the care, custody and control of such government agency, in violation of Title 18, United States Code, Section 666(a)(1)(A).

**C. OVERT ACTS IN FURTHERANCE OF THE SCHEME:**

On or about the dates below, and in furtherance of the conspiracy and to effect the unlawful objects thereof, the defendants, **JANICE STAVES** and **JAMES YOUNGBLOOD**, and others known and unknown to the United States Attorney, committed and caused to be committed the following Overt Acts, among others, in the Eastern District of Louisiana and elsewhere:

1. In 2007, **JANICE STAVES** and **JAMES YOUNGBLOOD** discussed, telephonically and in person, that **JANICE STAVES** could get **JAMES YOUNGBLOOD** paid with HANO funds, for doing no work, and in return, **JAMES YOUNGBLOOD** provided kickbacks to **JANICE STAVES**.
2. From on or about April 2, 2007 and continuing until on or about May 28, 2009, defendant **JANICE STAVES** caused approximately 135 (one hundred and thirty-five) HANO checks to be written and delivered to defendant, **JAMES YOUNGBLOOD**, knowing no work was performed, and that she would be corruptly offered money in return, with the intent to influence her official actions, as the purchasing director at HANO.

3. From on or about April 2, 2007, and continuing until on or about May 28, 2009, defendant, **JAMES YOUNGBLOOD**, received nearly 135 HANO checks, totaling nearly \$661,904.11, despite having performed no work. He deposited nearly \$618,133.91 into his bank accounts, and withdrew approximately \$43,770.20 “less cash” at the time of the deposits.
4. During this same time frame, the defendant, **JANICE STAVES**, deposited approximately \$100,448.00 in cash, into accounts that she controlled. On different occasions, **JAMES YOUNGBLOOD** would deposit HANO checks, withdraw cash, and then give money back to **JANICE STAVES**, wherein she would then deposit the cash into her accounts.
5. During the 2007-2009 time frame, normal transactions at HANO mandated that requisition orders for jobs would come from a particular department, and would be routed to **JANICE STAVES**, who was then supposed to create a legitimate purchase order. The purchase order would then be routed to supervisors for proper approval, and a check would be issued from Accounts Payable after receiving the required supervisor signatures. However, these procedures were not followed. Also, the defendants, **JANICE STAVES** and **JAMES YOUNGBLOOD**, took advantage of the fact that some smaller vendors, were allowed to receive prepaid checks, so that they could be paid quicker in order to pay workers, as they did not have sufficient cash flow to be able to wait to be paid. **JANICE STAVES** also did not ask for nor receive any requisition orders on jobs purportedly done by **YOUNGBLOOD**, as no work had been done.
6. During this same time frame, in order to work around the above procedures set in place by HANO, **JANICE STAVES** would create fake purchase orders for **JAMES YOUNGBLOOD** and request a prepaid check. The fraudulent purchase order was usually for debris removal and/or supplies, such as locks. The last step in the process would require supervisory signatures on the purchase orders. Obtaining these supervisory signatures that were needed to obtain the prepaid check, was troublesome as a supervisor would be looking for a matching requisition order.
7. During this two-year period from 2007-2009, HANO’s payment process also required that different colored carbon copies had to be routed to different departments after the signatures had been obtained. A blue carbon copy was what was needed to get the prepaid check from Accounts Payable. **JANICE STAVES** managed to also circumvent this process by slipping a blue purchase order for work purportedly done by **JAMES YOUNGBLOOD** into a legitimate vendor file. **JANICE STAVES** knew that there would then be two blue papers among the other colored papers and once the supervisor would sign off, the carbon copy would allow the signature to go onto all of the copies, including the fraudulent extra blue one for **JAMES YOUNGBLOOD**. After the legitimate vendor file came back, **JANICE STAVES** would then remove the extra blue paper and present this to Accounts Payable, and receive a prepaid check in the name of **JAMES YOUNGBLOOD**. **JANICE STAVES** also made sure that the checks were under the \$15,000 threshold, in order to avoid the other step in the process, that would require the need for a supervisory signature in the event a check was in an amount greater than \$15,000. In order to get the money to **JAMES**

**YOUNGBLOOD, JANICE STAVES** first had the checks mailed to **JAMES YOUNGBLOOD**, but later on in the conspiracy she would call him and he would come into the HANO office to pick up his checks.

8. From on or about April 2, 2007 and continuing through on or about May 28, 2009, **JAMES YOUNGBLOOD** would deposit his checks and then bring **JANICE STAVES** cash at the HANO office so that she would receive her portion. **JAMES YOUNGBLOOD** would bring the cash to her office in an envelope, they would meet in the parking lot, or in the parking lots of gas stations or restaurants close to the HANO office.
9. At the end of 2007, **JANICE STAVES** had work performed on rental properties that she owned. **JAMES YOUNGBLOOD** paid the subcontractors for the personal work, out of the funds he received from **JANICE STAVES** and HANO.
10. In 2009, **JAMES YOUNGBLOOD** formed a music production company called KP Youngblood Records, LLC. **JANICE STAVES** was listed as the president of the business. The conspiracy was exposed before **JAMES YOUNGBLOOD** could get the company officially started and any HANO funds could be used to fund it.

All in violation of Title 18, United States Code, Section 371.

#### **NOTICE OF FRAUD FORFEITURE**

1. The allegations of Count 1 of this Bill of Information are realleged and incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States of America pursuant to the provisions of Title 18, United States Code, Section 371.

2. As a result of the offenses alleged in Count 1, the defendants, **JANICE STAVES** and **JAMES YOUNGBLOOD**, shall forfeit to the United States pursuant to Title 18, United States Code, Section 371 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c), any and all property, real or personal, which constitutes or is derived from proceeds traceable to violations of Title 18, United States Code, Section 371, including but not limited to:

a. United States Currency and all interest and proceeds traceable thereto.


3. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

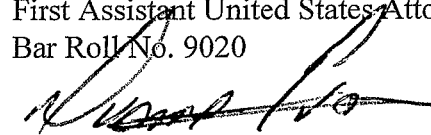
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

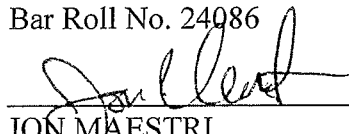
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Section 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461(c).

  
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New Orleans, Louisiana  
February 20, 2013