

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

UNITED STATES OF AMERICA	*	CRIMINAL NO:	08-166
v.	*	SECTION:	“N”
LOLA DAVIS	*	VIOLATION:	18 U.S.C. § 371
	*		

FACTUAL BASIS

Should this matter proceed to trial, the Government would produce the following competent testimony and evidence to prove beyond a reasonable doubt the defendant, LOLA DAVIS’s, guilt to Count One of the Indictment:

Employees with Catholic Charities of the Archdiocese of New Orleans (“Catholic Charities”) would testify that on or about July 27, 2007, they called the Department of Housing and Urban Development–Office of Inspector General to report fraud they discovered in the Supportive Housing Program (“SHP”) files. The SHP was a Congressionally authorized program designed to assist homeless individuals with free housing and lifeskills training that was funded through the United States Department of Housing and Urban Development (HUD), an agency and department of the United States. The SHP defined homeless as living on the street or an emergency shelter. HUD awarded federally funded grants annually to state and local

governments and other non-governmental organizations and agencies across the country to implement the SHP. For fiscal year 2006-2007 which began on or about July 1, 2006 and ended on or about June 30, 2007, Unity of Greater New Orleans was awarded a grant from HUD for implementation of the SHP in New Orleans, Louisiana. Unity of Greater New Orleans then sub-granted over \$100,000 of the federal funds to Catholic Charities for the SHP. Catholic Charities was required by HUD and UNITY of Greater New Orleans to complete annual spending and performance audits of their implementation of the SHP. Funds from the SHP grant paid for a deposit and one to three months rent for a qualifying homeless individual or family and case management or lifeskills training for the homeless individual or family to become self-sustaining during that time period.

To qualify for the program, a homeless individual or family completed a detailed application with Catholic Charities verifying, among other things, that they were homeless, they had a job, and they were not receiving other governmental assistance such as FEMA or SBA money. The case manager for the SHP was required to assist and track the individual's or family's progress to independent living. Once the individual or family was in the program, the individual or the Catholic Charities case manager for the SHP would find an eligible unit meeting HUD standards and the landlord would be required to complete numerous forms including a landlord verification form which the landlord would sign verifying the tenant, the property to be rented, the amount of the deposit and rent per month, and the address where Catholic Charities was to send the tenant's rent. Catholic Charities paid the landlord directly.

Employees of Catholic Charities would testify and documentation would be offered to show that from in or around March 2006 to on or about July 20, 2007, the primary case manager

for the SHP whose duties included verifying the qualifying status of the individual's applying for assistance and the suitability of the landlord's rental units was Margare Segura.

Employees with Catholic Charities would testify and documentation would be produced to show that the defendant, LOLA DAVIS, was documented by Margare Segura, the defendant's sister, as a landlord of a rental unit for homeless individuals through the SHP. On July 13, 2006, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 149686, payable to her in the amount of \$2400 from SHP funds as a landlord for an individual named D.C. to reside at 7722 Hickman Street, New Orleans, Louisiana. The landlord verification form would be produced to show that D.C. was to reside at 7722 Hickman Street from July 1, 2006 until July 31, 2006. The canceled check, number 149686, would be produced to show that it was endorsed in the defendant, LOLA DAVIS's, name and deposited into the defendant, LOLA DAVIS's, bank account.

On July 28, 2006, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 150952, payable to her in the amount of \$1200 from SHP funds as a landlord for an individual named D.C. The canceled check, number 150952, would be produced to show that it was endorsed in the defendant, LOLA DAVIS's, name and cashed.

On August 31, 2006, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 153807, payable to her in the amount of \$1200 from SHP funds as a landlord for an individual named D.C. The landlord verification form would be produced to show that the original dates D.C. was to be the defendant, LOLA DAVIS's, tenant had been changed to September 1, 2006 until September 30, 2006. The canceled check, number

153807, would be produced to show that it was endorsed in the defendant, LOLA DAVIS's, name and cashed.

On May 30, 2007, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 174254, payable to her in the amount of \$2400 from SHP funds as a landlord for an individual named D.St. D.St. was also known as D.C. The landlord verification form would be produced to show that D.St. was to be the defendant, LOLA DAVIS's, tenant from May 1, 2007 until May 31, 2007, but there is nothing on the landlord verification form to indicate where D.St. was to reside. The canceled check, number 174254, would be produced to show that it was endorsed in the defendant, LOLA DAVIS's, name and deposited into the defendant, LOLA DAVIS's, bank account.

On June 22, 2007, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 175992, payable to her in the amount of \$1200 from SHP funds as a landlord for an individual named D.St. The landlord verification form would be produced to show that the original dates D.St. was to be the defendant, LOLA DAVIS's, tenant had been changed to June 1, 2007 until June 30, 2007. The canceled check, number 175992, would be produced to show that it was endorsed in the defendant, LOLA DAVIS's, name and deposited into the defendant, LOLA DAVIS's, bank account.

_____ On June 29, 2007, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 177195, payable to her in the amount of \$1200, from SHP funds as a landlord for an individual named D. St. The canceled check, number 177195, would be produced to show that it was endorsed in the defendant, LOLA DAVIS's, name and deposited into the defendant, LOLA DAVIS's, bank account.

Department of Homeland Security, Federal Emergency Management Agency (“FEMA”), records would be produced to show that a FEMA trailer was leased to the defendant, LOLA DAVIS, for 7722 Hickman Street, her primary residence prior to Hurricane Katrina, from September 6, 2006 until May 3, 2007. D.C. would testify that she lived in the FEMA trailer on the defendant, LOLA DAVIS’s, property at 7722 Hickman Street from September of 2006 until November of 2006. After the property at 7722 Hickman Street was renovated, D.C. moved into the single family house at 7722 Hickman Street. FEMA records would be produced to show that D.C. received FEMA rental assistance starting in September 2006. Beginning on or about May 23, 2007 and continuing until December 31, 2007, FEMA records show that FEMA paid the defendant, LOLA DAVIS, directly \$1,000 a month for D.C. to reside at 7722 Hickman Street. D.C. would testify that she was not living in a shelter or on the street at the time she started living at the defendant, LOLA DAVIS’s, property.

Employees with Catholic Charities would testify and documentation would be produced to show that Margare Segura qualified the defendant, LOLA DAVIS, as a landlord for a second individual named D. Sc. On March 30, 2007, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 170043, payable to her in the amount of \$1900 from SHP funds as a landlord for D. Sc. The landlord verification form would be produced to show that D. Sc. was to reside at 7722 Hickman Street from April 1, 2007 until April 30, 2007. The canceled check, number 170043, would be produced to show that it was endorsed in the defendant, LOLA DAVIS’s, name and deposited into the defendant, LOLA DAVIS’s, bank account. D.C. would testify that D. Sc., a relative the defendant, LOLA DAVIS, and Margare Segura, did not reside at 7722 Hickman Street.

On September 28, 2006, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 156016, payable to her in the amount of \$1654 from SHP funds as a landlord for an individual named Y.St. The landlord verification form would be produced to show that Y.St. was to reside at 8721 Morrison Rd, Apt. A, New Orleans, Louisiana from October 1, 2006 until October 31, 2006, and that the \$1654 included \$54 for “pro rate” rent for September 29, 2006 to September 30, 2006. The canceled check, number 156016, would be produced to show that it was endorsed in the defendant, LOLA DAVIS’s, name and deposited into the defendant, LOLA DAVIS’s, bank account.

On October 18, 2006, Catholic Charities, at the request of Margare Segura, issued the defendant, LOLA DAVIS, a check, number 157382, payable to her in the amount of \$800 from SHP funds as a landlord for an individual named Y.St. The landlord verification form would be produced to show that Y.St. was to be a tenant of the defendant, LOLA DAVIS, from November 1, 2006 until November 30, 2006, but there was nothing on the landlord verification form indicating where Y.St. was to reside. The canceled check, number 157382, would be produced to show that it was endorsed in the defendant, LOLA DAVIS’s, name and cashed.

Mortgage records would be produced to show that the defendant, LOLA DAVIS, does not own the property located at 8721 Morrison Road. Y.St. would testify that he is related to the defendant, LOLA DAVIS, and that for two months he lived in the upstairs living quarters at 7512 Morrison Road, a flooded property purchased by the defendant, LOLA DAVIS, after Hurricane Katrina. Y.St. would testify that he was not living on the street or in a shelter prior to moving into the defendant, LOLA DAVIS’s, property.

At trial, canceled checks totaling over \$10,000 made payable to Margare Segura and her

alias Margare Lewis from the defendant, LOLA DAVIS, following the defendant, LOLA DAVIS's, receipt of the Catholic Charities checks would be produced to show that the defendant, LOLA DAVIS, and her sister and co-conspirator, Margare Segura, shared the illegal proceeds received from Catholic Charities' SHP. The defendant, LOLA DAVIS, and the government agree to stipulate that the amount of loss that the defendant, LOLA DAVIS, was responsible for or that was reasonably foreseeable to her during this conspiracy was \$13,954. This assessment was arrived at through analysis of all Catholic Charities accounting documentation, financial records, and witness interviews.

READ AND APPROVED:

EMILY K. GREENFIELD (LA 28587)
Assistant United States Attorney

DATE

Clarence Roby ()
Counsel for Defendant

DATE

Lola Davis
Defendant

DATE