



DEPARTMENT OF JUSTICE

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**FORMER HEAD OF NIAGARA FALLS HOUSING AUTHORITY PLEADS
GUILTY TO STEALING GOVERNMENT FUNDS; SON AND
DAUGHTER-IN-LAW ALSO CONVICTED**

Buffalo, N.Y. –U.S. Attorney James P. Kennedy, Jr. announced today that Stephanie W. Cowart, 58, of Grand Island, NY, pleaded guilty to theft concerning programs receiving federal funds before U.S. District Judge Richard J. Arcara. The charge carries a maximum penalty of 10 years in prison and a \$250,000 fine. In addition, Cowart’s son and daughter-in-law, Allen, 31, and Fredia, 28, both of Niagara Falls, NY, pleaded guilty to a misdemeanor charge of theft of government funds which carries a maximum penalty of one year in prison and a \$100,000 fine.

Assistant U.S. Attorney Russell T. Ippolito, who is handling the case, stated that between 1997 and July 21, 2016, Stephanie Cowart served as Executive Director of the Niagara Falls Housing Authority (NFHA), an organization that has received federal funding. Between October 2013 and January 2015, Stephanie Cowart, being an agent of a state authority, and being aided by Allen and Fredia Cowart, stole \$6,000 from the NFHA.

The Niagara Area Foundation (NAF) was established in 2000 by citizens of Niagara County who were employed in the private and non-profit sectors, to provide support and charity-oriented philanthropic initiatives for residents in Niagara County. Allen and Fredia Cowart, on behalf of People and Possibilities, Inc., sought and obtained a \$6,000 grant from NAF, with the assistance of Stephanie Cowart. The money was to be used for “A Better Me,” a project that was to “teach children and youth the importance of proper etiquette, what bullying is and what they can do about it and to teach educational empowerment tools.” The NAF grant proceeds for the “A Better Me” project were deposited directly into

the NFHA's operating account. The NFHA then paid Allen and Fredia Cowart for work purportedly done on the project. However, Allen and Fredia Cowart never actually conducted any presentations related to the "A Better Me" project.

In addition, between October 2013 and June 2014, aided by his mother, Allen Cowart defrauded the NFHA and the New York Office of Children and Family Services (NYOCFS). Allen Cowart falsely claimed that he was performing the work of two teachers under the Advantage After School Program and was paid more than two times the normal hourly pay rate for one teacher position. The Advantage After School Program is funded, in part, through a contribution of federal Temporary Assistance to Needy Families (TANF) funds to New York State.

Allen Cowart was appointed to the temporary position of Teacher, under the Advantage After School Program, October 1, 2013 for the duration of the school year. The salary associated with this appointment was \$23 an hour. However, Stephanie Cowart directed that effective October 23, 2013, her son was to be paid an hourly rate of \$50. During the time period that Allen Cowart was paid a \$50 hourly pay rate, he received \$11,583 more than he would have, had he been paid the \$23 hourly pay rate.

"As the leader of the Niagara Falls Housing Authority, Stephanie Cowart was obligated to act as a responsible steward of these funds and to use them to better the lives of residents and the community as a whole," said U.S. Attorney Kennedy. "Instead, the defendant misused her position to ensure that the only improvements realized through her administration of these funds were to the bank balances of her family members."

"Stephanie Cowart used her power as the Executive Director of the Niagara Falls Housing Authority to enrich herself and members of her family," said Adam S. Cohen, Special Agent-in-Charge of the FBI's Buffalo Division. "She failed to honor the public position she held."

"In a blatant abuse of power, longtime executive director of the Niagara Falls Housing Authority, Stephanie Cowart failed the very people she was hired to assist by diverting public funds to her relatives through exorbitant hourly wages and grants," State Comptroller Thomas P. DiNapoli said. "My investigators brought this case to our partners in law enforcement, and I thank U.S. Attorney James P. Kennedy, Jr., the U.S. Department of Housing and Urban Development's Inspector General, and the FBI for their diligent work in the fight against public corruption."

The pleas are the result of an investigation by the Federal Bureau of Investigation, under the direction of Special Agent-in-Charge Adam S. Cohen; the Department of Housing and Urban Development, Office of Inspector General, under the direction of Special Agent-in-Charge Brad Geary; and the Office of New York State Comptroller Thomas P. DiNapoli, Division of Investigations.

Sentencing for the defendants is scheduled for April 5, 2018 at 12:00 p.m. before Judge Arcara.

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