



Department of Justice

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Eastern District of Louisiana

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PAIR GUILTY OF DEFRAUDING HANO

NEW ORLEANS, LOUISIANA - JANICE STAVES, age 57, a resident of New Orleans, and **JAMES YOUNGBLOOD**, age 69, a resident of New Orleans, pled guilty to conspiracy to commit public bribery in federal court today before United States District Court Judge Ivan L.R. Lemelle, announced U. S. Attorney Dana Boente.

According to court documents, **STAVES** was employed as a Purchasing Clerk for the Housing Authority of New Orleans (HANO) from 1992 until June 1, 2009. **YOUNGBLOOD** also had previously worked at HANO from 1972 until 2003. Upon leaving HANO, **YOUNGBLOOD** formed and operated **YOUNGBLOOD** and **YOUNGBLOOD** Construction, LLC.

During the conspiracy, **STAVES** and **YOUNGBLOOD** figured out a way to embezzle money from HANO, which receives federal funding. In 2007, **STAVES** and **YOUNGBLOOD** discussed, telephonically and in person, that **STAVES** could get **YOUNGBLOOD** paid with HANO funds, for doing no work, and in return, **YOUNGBLOOD** provided kickbacks to **STAVES**. During this time frame, **YOUNGBLOOD** received HANO checks totaling \$661,904.11, despite having performed no work. **STAVES**, deposited approximately \$100,448.00 in cash from **YOUNGBLOOD**, into accounts that she controlled. **YOUNGBLOOD** would deposit his checks and then bring **STAVES** cash at the HANO office so that she would receive her portion. **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.

Legitimate HANO transactions mandated that requisition orders for jobs would come from a particular department, and would be routed to **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, **STAVES** and **YOUNGBLOOD** took advantage of the fact that some smaller vendors were allowed to receive prepaid checks to facilitate the payment of workers. **STAVES** also did not ask for nor receive any requisition orders on jobs purportedly done by **YOUNGBLOOD**, as no work had been done.

In order to work around HANO's procedures, **STAVES** would create fake purchase orders for **YOUNGBLOOD** and request a prepaid check. The fraudulent purchase order was usually for debris removal and/or supplies, such as locks.

Both defendants face a maximum term of imprisonment of five (5) years, as well as a fine of \$250,000.00 and three (3) years of supervised release following any term of imprisonment. Sentencing is set for Wednesday, July 10, 2013 at 2:00pm.

The case was investigated by the Special Agents of the Federal Bureau of Investigation and the United States Department of Housing and Urban Development, Office of the Inspector General. The prosecution is being handled by Assistant United States Attorney Jon Maestri.

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