

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,	§	
Plaintiff,	§	
v.	§	CIVIL ACTION NO. ____
	§	
\$90,150.00 in U.S. CURRENCY,	§	
	§	
\$73,474.00 in U.S. CURRENCY, and	§	
	§	
\$22,400.00 in U.S. CURRENCY,	§	
Defendants.	§	

VERIFIED COMPLAINT FOR CIVIL FORFEITURE
IN REM AND NOTICE TO POTENTIAL CLAIMANTS

The United States of America, Plaintiff, files this action for forfeiture *in rem* against \$90,150.00, \$73,474.00, and \$22,400.00 in U.S. Currency seized on or about February 27, 2020, and alleges upon information and belief the following:

JURISDICTION AND VENUE

1. This Court has subject-matter jurisdiction pursuant to 28 U.S.C. §§ 1345 and 1355, as this is a forfeiture action brought by the United States.

2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1355(b)(1), 1391(b), and 1395. A substantial part of the acts and omissions occurred in this District, and the Defendant Property was found in this District.

DEFENDANT PROPERTIES SUBJECT TO FORFEITURE

3. The First Defendant Property is \$90,150.00 in U.S. Currency seized on or about February 27, 2020, from the residence of a person who was then the Chief Operating Officer (the “COO”) for the Houston Independent School District (“HISD”).

4. The Second Defendant Property is \$73,474.00 in U.S. Currency seized on or about February 27, 2020, from the residence of a person who owns a business that has a contract with HISD (the “Contractor”).

5. The Third Defendant Property is \$22,400.00 in U.S. Currency seized on or about February 27, 2020, from the vehicle of the Contractor.

6. The United States alleges that the Defendant Properties constitute or are traceable to the proceeds of federal programs theft and wire fraud.

STATUTORY BASIS AND NATURE OF ACTION

7. This civil action in rem is brought to enforce the provisions of 18 U.S.C. § 981(a)(1)(C), which provides for the forfeiture of any property, real or personal, which constitutes or is derived from proceeds traceable to any offense constituting “specified unlawful activity” (as defined in 18 U.S.C. § 1956(c)(7)), or a conspiracy to commit such offense. Title 18 U.S.C. §§ 666 (theft of federal funds) and 1343 (wire fraud) are both “specified unlawful activity” pursuant to 18 U.S.C. §1956(c)(7).

FACTS

8. HISD is the largest school district in Texas and includes approximately 280 schools, as well as administration buildings. As the seventh-largest school district in the United States, HISD receives millions of dollars in federal funds.

9. The COO at HISD oversees an annual operating budget of more than \$250 million and leads a workforce of more than 7,000 employees from six major departments. One of those

departments is Facilities, Maintenance, and Operations, which includes maintenance of HISD school grounds.

10. The Contractor owns a lawn and landscaping businesses that has performed work for HISD over the years. Since approximately 2016, the Contractor's business has held a multi-million dollar contract with HISD for grounds maintenance, landscaping, tree pruning and removal, and irrigation systems for certain HISD properties. The Contractor's business would also periodically submit proposals for other HISD projects, such as the renovation of athletic playing fields.

11. There is reason to believe that the COO conspired with the Contractor and others to cause HISD to approve proposals submitted by the Contractor's business and to pay the Contractor's business for work that it did not perform. At times, HISD employees performed a portion of the contracted work, often at overtime rates.

12. In order to share the criminal proceeds the Contractor obtained from the fraud, the Contractor paid kickbacks to the COO, including cash kickbacks.

13. The Contractor would sometimes write checks from his business account to other people, like subcontractors, and have them cash the check and return most of the cash to the Contractor.

14. Shortly after the COO had met with the Contractor or the Contractor's representative, the COO would sometimes structure multiple cash deposits into various bank accounts he controlled.

CONCLUSION

15. Under the totality of the circumstances, it is believed that the Defendant Properties are subject to forfeiture under 18 U.S.C. § 981(a)(1)(C) as property which constitutes or is derived from proceeds traceable to specified unlawful activity.

NOTICE TO ANY POTENTIAL CLAIMANTS

YOU ARE HEREBY NOTIFIED that if you assert an interest in any of the Defendant Properties which are subject to forfeiture and want to contest the forfeiture, you must file a verified claim which fulfills the requirements set forth in Rule G of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions. The verified claim must be filed no later than 35 days from the date this Complaint was sent to you in accordance with Rule G(4)(b); or, if this Complaint was not sent to you, no later than 60 days after the first day of publication of notice on an official internet government forfeiture site, in accordance with Rule G(5)(a)(ii)(B).

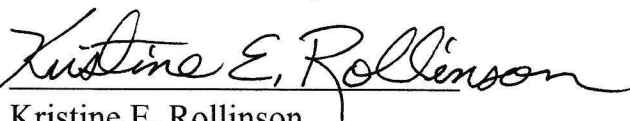
An answer or motion under Rule 12 of the Federal Rules of Civil Procedure must be filed no later than twenty-one (21) days after filing the claim. The claim and answer must be filed with the United States District Clerk for the Southern District of Texas, whether electronically or at the United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002. A copy must be sent to the undersigned Assistant United States Attorney at the United States Attorney's Office, 1000 Louisiana, Suite 2300, Houston, Texas 77002.

REQUESTED RELIEF

The United States will serve notice, along with a copy of the Complaint, on any person who reasonably appears to be a potential claimant in this matter. The United States seeks a final judgment forfeiting the Defendant Properties to the United States and any other relief to which the United States may be entitled.

Respectfully submitted,

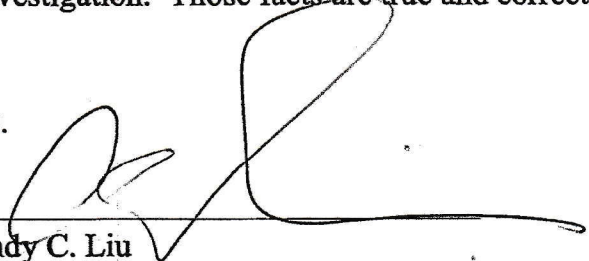
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By: 
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Verification

I, Andy C. Liu, a Special Agent with the United States Federal Bureau of Investigation, declare under the penalty of perjury, as provided by 28 U.S.C. § 1746, that I have read the foregoing Verified Complaint for Civil Forfeiture In Rem and Notice to Potential Claimants, and that the facts stated in paragraphs 3 through 5 and 8 through 14 of the Complaint are based upon my personal knowledge, upon information obtained from other law enforcement personnel, or upon information I obtained in the course of my investigation. Those facts are true and correct to the best of my knowledge and belief.

Executed on the 17 day of September 2020.



Andy C. Liu
Special Agent
Federal Bureau of Investigation