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FIVE INDICTED ON FEDERAL CHARGES FOR DEFRAUDING BOSSIER PARISH SCHOOL BOARD

“Screaming Eagle” Investigation Leads to 196-Count Indictment

Shreveport, Louisiana: A scheme to defraud the Bossier Parish School Board of more than three quarters of a million dollars in connection with the purchase and maintenance of air conditioning systems within the school district has resulted in the indictment of five individuals, three of whom are employed by the School Board, United States Attorney Donald W. Washington announced today. Winfred “Randy” JOHNSTON, Jr., age 47, William “Mont” RODES, Jr., age 29, Mark ROWE, age 40, all employed by the Bossier Parish School Board Maintenance Department, along with Alan LEE, age 53, and Garrett WILSON, age 36, co-owners of ARK-LA-TEX AIR REPAIR, INC., were charged with conspiracy and 194 counts of mail fraud. The indictment also seeks to forfeit property derived from proceeds of the fraud.

A six-month investigation by the FBI code-named “Screaming Eagle” led to the indictment which alleges the defendants were engaged in numerous activities to defraud the School Board of \$789,405, including charging for more expensive air conditioning equipment than what was actually installed, charging

for equipment and installation on rooms that did not exist, charging amounts in excess of the contract price, and replacing air conditioning units that were functioning properly in Bossier Parish schools.

The indictment alleges that JOHNSTON and RODES would inform WILSON and LEE, co-owners of ARK-LA-TEX AIR REPAIR, INC., of the lowest bid on a particular project so they could submit the winning bid and obtain a particular contract. The AIR REPAIR contracts were prepared for a one- to two-day change-out that would allow the air conditioning company to charge higher prices per unit because the work had to be completed in a more expeditious manner. The defendants would fabricate emergency situations that required a more lucrative one- to two-day change-out.

In addition, the indictment alleges that throughout the four years of the conspiracy, WILSON and LEE overcharged and fraudulently billed the School Board by requesting that repair work be performed on air conditioning units that were not in need of repair, by billing more than once for the same installation, by billing for the replacement of units that were never actually replaced, by billing for higher tonnage units than those actually installed, and by billing for the installation of air conditioning units for school rooms that did not even exist. Once an AIR REPAIR air conditioning project was completed, defendants JOHNSTON, RODES and ROWE would falsely certify that the proper equipment was in place. The defendants approved invoices for payment when they knew that the invoices contained false information in that AIR REPAIR did not perform the work listed on the invoices.

As a result of these activities, the indictment alleges that ARK-LA-TEX AIR REPAIR, INC., received approximately \$8.6 million in air conditioning contracts from the School Board between January 1, 2004 and July 31, 2008. In return, WILSON and LEE provided JOHNSTON, RODES and ROWE with cash and other things of value. Additionally, the defendants were allowed to swipe their maintenance department credit cards at AIR REPAIR in order to received cash back for their personal use. WILSON and

LEE would then provide fraudulent invoices to make purchases appear to be legitimate expenses of the School Board.

If convicted, each defendant faces a maximum penalty of 20 years in prison, a \$250,000 fine, or both, for each count of mail fraud, and 5 years in prison, a \$250,000 fine, or both, for conspiracy. Sentencing in federal court is determined by the discretion of federal judges and the governing statute. Parole has been abolished in the federal system.

An indictment is merely an accusation and a defendant is presumed innocent unless and until proven guilty. Defendants are entitled to a presumption of innocence under the law, and the government has the burden of proving every element of the charges beyond a reasonable doubt.

This investigation was conducted by the Federal Bureau of Investigation, Shreveport Resident Agency, with the assistance of the Bossier Parish Sheriff's Office. The case is being prosecuted by Assistant U.S. Attorneys Alexander C. Van Hook and Robin S. McCoy.

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