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PRESS RELEASE

For Immediate Release
July 2, 2004

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**FEDERAL CHARGES FILED AGAINST 10 INDIVIDUALS FOR
EXTORTION AND THEFT FROM NEW ORLEANS SCHOOL SYSTEM**

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Jim Letten, United States Attorney for the Eastern District of Louisiana, FBI Special Agent in Charge Louis Reigel, U.S. Department of Education, Office of Inspector General Special Agent in Charge Patricia Vangilder, IRS CID Special Agent in Charge Mike Nelson, and New Orleans Police Superintendent Eddie Compass, announced today the filing of three separate Bills of Information charging a total of ten individuals with federal felonies involved in fraud and kickbacks involving the Orleans Parish school system.

The first Bill of Information charges **LILLIAN T. SMITH HAYDEL** age 46, with conspiracy, along with former Orleans Parish school system risk manager Carl Coleman, to engage in a series of kickbacks in order to preserve insurance contracts on which she was a broker. The Bill of Information charges a violation of 18 U.S.C. 1951, Hobbs Act Conspiracy which carries a maximum statutory penalty of twenty years incarceration.

The second Bill of Information charges 8 current and former employees of the Orleans Parish school system with engaging in a kickback scheme whereby teachers, secretaries and para-educators

would receive illicit monies they did not earn in the form of false travel reimbursements, fraudulent stipend payments or (in one instance), paychecks for an employee who had left the system. In return for these illegal monies, the employees would and did kickback fifty percent of the amount of the illegal payments. The Bill of Information charges that approximately \$70,000.00 of school system money was involved in the extortion scheme. The Bill of Information charges that **LOUIS SERRANO**, age 29, **CONCHETTA CARBO**, age 25, **ARMTRICE COWART**, age 27, **TREMICA KNIGHT-HENRY**, age 27, **RACHELLE HUNTER**, age 27, **MONIQUE LANDRY**, age 28, **LATASHA WILLIAMS**, age 31, and **TAMIKA WINESBERRY**, age 31 violated 18 U.S.C. 151, Hobbs Act Conspiracy, which carries a maximum statutory penalty of twenty years incarceration.

The third Bill of Information charges **TERRI SMITH MORANT**, a former payroll clerk in the Orleans Parish school system payroll office with stealing approximately \$250,000.00 from the school system in a series of checks made out to herself under her maiden name. **MORANT** is charged with violating 18 U.S.C. 666, Theft of Funds from Program Receiving Federal Funds, which carries a maximum statutory penalty of ten years incarceration.

According to the United States Attorney, the second 2 bills of information, charging the 7 employees with Hobbs Act extortion, and the information charging **TERRY SMITH MORANT** with program fraud, are the result of an investigation conducted by the members present who form a large part of the recently-established FBI-led New Orleans School System fraud working group.

According to the United States Attorney, all of these 10 defendants have agreed to plead guilty to these felonies; hence the filing of bills of information charging them.

United States Attorney Jim Letten said, "These important cases represent our commitment to seek out and aggressively prosecute waste, fraud and abuse at any level in the Orleans Parish school system. I want to extend my deepest thanks to New Orleans School System Superintendent Anthony Amatto for his extraordinary efforts in cooperating with federal and local authorities to seek out, punish, and ultimately eliminate abuses within the system which ultimately harm our school children. Indeed, it was his invitation extended to the Federal Bureau of Investigation, along with NOPD and the other members of our working group, which resulted in the very formation of that group. Our ultimate goal is not merely a statistical one, but the elimination of wholesale theft and abuses so detrimental to our schools, and the restoration of confidence in our school system. I cannot overstate the significance of the FBI's expertise, dedication, and partnership with the Assistant U.S. Attorneys who handled this matter, nor can I overstate the importance of the contribution made by the U.S. Department of Education, IRS, and, of course, the fine men and women of the New Orleans Police Department."

According to FBI Special Agent in Charge Louis Reigel:

"These charges represent the commitment of investigators and prosecutors who are dedicated to seeing that fraud and corruption within the New Orleans Public School System is rooted out and that our children are given the opportunity to receive a quality education."

John P. Higgins, Jr., the Inspector General for the United States Department of Education, stated he was very pleased with the outcome of the investigations to date, and fully supports our joint investigative efforts with the United States Attorney's Office, FBI, and local law enforcement agencies.

Finally, Patricia Vangilder, U.S. Department of Education, OIG Special Agent in Charge urges anyone who is aware of fraud, theft, or other abuses within or relating to the school system to place a telephone call to the U.S. Department of Education Hotline at: (504)304-5799 or 1-800-647-8733 (1-800-MISUSED).

This case was investigated by Special Agents of the FBI assigned to the Public Corruption Squad, along with U.S. Department of Education and IRS Special Agents, and NOPD personnel.

This case was investigated and is being prosecuted by Assistant United States Attorneys Carter K. D. Guice, Jr. and G. Dall Kammer of the Financial Crimes Unit, who will continue conducting this important corruption investigation.

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