

1 KEVIN V. RYAN (CSBN 59775)
United States Attorney
2 Attorney for Plaintiff
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8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.

14 DARRICK JONATHAN CHAVIS, and
LAMARK KEVIN LASSITER
15 Defendants.
16

) CR. NO.:

) VIOLATIONS: Title 18, United
) States Code, Section 1341 – Mail Fraud;
) Title 18, United States Code, Section 1957 --
) Engaging in Monetary Transactions in Property
) Derived From Specified Unlawful Activity;
) Title 31, United States Code, Sections 5322(b)
) and 5324(a)(3) -- Structuring
) Financial Transactions to Evade Currency
) Transaction Reports;
) Title 26, United States Code, Section 7206(1) --
) Willfully Subscribing a False Tax Return;
) Title 26, United States Code, Section 7203 --
) Willful Failure to File Tax Return; and
) Title 18, United States Code, Section 982--
) Criminal Forfeiture

21)
22) **OAKLAND VENUE**

23 INDICTMENT

24 The Grand Jury charges that:

25 Counts One and Two : (18 U.S.C. § 1341 - Mail Fraud)

26 Introduction

27 1. During period October 2001 through June 2002, defendant DARRICK JONATHAN
28 CHAVIS was an employee of the City of Hercules, California and responsible for the operation

1 of a city-funded program called the “Revitalization and Beautification Program” also known as
2 “Fund 180 Redevelopment/Affordable Housing, Program GM360L.”

3 2. During parts of 2001 and 2002, The City of Hercules funded the “Revitalization and
4 Beautification Program.” The program was approved the City Council of Hercules as a means to
5 provide funds to financially qualified residents of Hercules for the purpose of the repairing and
6 rehabilitating their residences. The City Council provided for certain limits on the program
7 including that no single residence could receive more than \$15,000 in grant funds.

8 The Scheme To Defraud

9 3. Starting at a date unknown to the grand jury but no later than in or about October 2001
10 and continuing to in or about June 2002, in the Northern District of California and elsewhere,
11 the defendants

12 DARRICK JONATHAN CHAVIS and
13 LAMARK KEVIN LASSITER

14 knowingly and willfully devised and intended to devise a scheme and artifice to defraud and to
15 obtain money and property from the City of Hercules, by means of false and fraudulent pretenses,
16 representations, and promises, in violation of Title 18, United States Code, Section 1341.

17 4. It was part of the scheme to defraud that CHAVIS would create and submit fraudulent
18 applications for funds purporting to be from residents of the City of Hercules when, in fact, the
19 residents had not authorized the creation or submission of the applications.

20 5. It was part of the scheme to defraud that CHAVIS would approve the expenditure of City
21 of Hercules funds for the residences referred to in the fraudulent applications.

22 6. It was part of the scheme to defraud that LASSITER would act as the licensed
23 contractor that performed the rehabilitative work on the residences and submitted invoices to the
24 City of Hercules even though LASSITER was not a licensed contractor and the rehabilitative
25 work was not performed.

26 7. It was part of the scheme to defraud that LASSITER recruited and paid another person,
27 the proprietor of a business called “The Enterprise Zone,” also known as “EZI” to create
28 invoices reflecting rehabilitative work done on residences in Hercules, CA even though neither

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1 “The Enterprise Zone” nor its proprietor had performed any work on the residences.

2 8. It was part of the scheme to defraud that CHAVIS would authorize the City of Hercules
3 to pay the fraudulent “Enterprise Zone” invoices submitted by LASSITER.

4 9. It was part of the scheme to defraud that checks from the City of Hercules payable to
5 LASSITER would be sent by U.S. mail or hand-delivered by CHAVIS to LASSITER.

6 10. It was part of the scheme to defraud that after receiving the City of Hercules checks,
7 LASSITER would keep a portion of the checks, or after converting the checks to cash, would
8 kick back a substantial portion of the checks in cash to CHAVIS.

9 11. The Mailings

10 On or about the dates set forth below, defendants CHAVIS and LASSITER, in furtherance
11 of the scheme to defraud set forth in paragraphs 3 through 10 above, sent and caused to be sent
12 by U.S. Mail according to the directions thereon, the following items, each mailing constituting a
13 separate and distinct violation of Title 18, United States Code, Section 1341:

<u>Count</u>	<u>Date of Mailing</u>	<u>Item Sent/Delivered By Mail</u>	<u>Sender of Mail</u>
15 1	December 21, 2001	City of Hercules Check #059162 for \$23,713	City of Hercules
16 2	March 12, 2002	City of Hercules Check #059920 for \$8,502.00	City of Hercules

18 Count Three: (18 U.S.C. § 1957- Engaging in Monetary Transactions in Property Derived From
19 Specified Unlawful Activity)

20 12. Paragraphs 3. through 11. of this Indictment are incorporated by reference
21 as though fully set forth in this count.

22 13. On or about December 27, 2001 in the Northern District of California, the
23 defendant

24 DARRICK JONATHAN CHAVIS,
25 knowingly engaged in a monetary transaction as defined in 18 U.S.C. § 1957(f)(1) by
26 purchasing a Toyota Sequoia automobile for \$42,036.56 using criminally derived
27 property of a value greater than \$10,000 which was derived from the commission of
28 specified unlawful activity, to wit: the scheme to defraud set forth in paragraphs 3.

1 through 11. above; in violation of Title 18, United States Code, Section 1957(a).

2 Count Four: (18 U.S.C. § 1957- Engaging in Monetary Transactions in Property Derived From
3 Specified Unlawful Activity)

4 14. Paragraphs 3. through 11. of this Indictment are incorporated by reference
5 as though fully set forth in this count.

6 15. On or about March 25, 2002 in the Northern District of California, the
7 defendant

8 DARRICK JONATHAN CHAVIS,

9 knowingly engaged in a monetary transaction as defined in 18 U.S.C. § 1957(f)(1) by
10 purchasing and receiving a cashier's check in the amount of \$15,122.59 at Wells Fargo
11 Bank using criminally derived property of a value greater than \$10,000 which was
12 derived from the commission of specified unlawful activity, to wit: the scheme to defraud
13 set forth in paragraphs 3. through 11. above; in violation of Title 18, United States Code,
14 Section 1957(a).

15 Count Five: (18 U.S.C. § 1957- Engaging in Monetary Transactions in Property Derived From
16 Specified Unlawful Activity)

17 16. Paragraphs 3. through 11. of this Indictment are incorporated by reference
18 as though fully set forth in this count.

19 17. On or about April 9, 2002 in the Northern District of California, the
20 defendant

21 DARRICK JONATHAN CHAVIS,

22 knowingly engaged in a monetary transaction as defined in 18 U.S.C. § 1957(f)(1) by
23 depositing \$15,000 into Merrill Lynch account 7HP-11004 using criminally derived
24 property of a value greater than \$10,000 which was derived from the commission of
25 specified unlawful activity, to wit: the scheme to defraud set forth in paragraphs 3.
26 through 11. above; in violation of Title 18, United States Code, Section 1957(a).

27 Count Six: (18 U.S.C. § 1957- Engaging in Monetary Transactions in Property Derived From
28 Specified Unlawful Activity)

18. Paragraphs 3. through 11. of this Indictment are incorporated by reference

1 as though fully set forth in this count.

2 19. On or about April 9, 2002 in the Northern District of California, the
3 defendant

4 DARRICK JONATHAN CHAVIS,

5 knowingly engaged in a monetary transaction as defined in 18 U.S.C. § 1957(f)(1) by
6 depositing \$15,000 into Merrill Lynch account 7HP-11006 using criminally derived
7 property of a value greater than \$10,000 which was derived from the commission of
8 specified unlawful activity, to wit: the scheme to defraud set forth in paragraphs 3.
9 through 11. above; in violation of Title 18, United States Code, Section 1957(a).

10 Count Seven: (18 U.S.C. § 1957- Engaging in Monetary Transactions in Property Derived From
11 Specified Unlawful Activity)

12 20. Paragraphs 3. through 11. of this Indictment are incorporated by reference
13 as though fully set forth in this count.

14 21. On or about May 7, 2002 in the Northern District of California, the
15 defendant

16 DARRICK JONATHAN CHAVIS,

17 knowingly engaged in a monetary transaction as defined in 18 U.S.C. § 1957(f)(1) by
18 purchasing and receiving a cashier's check in the amount of \$16,720.91 at Wells Fargo
19 Bank using criminally derived property of a value greater than \$10,000 which was
20 derived from the commission of specified unlawful activity, to wit: the scheme to defraud
21 set forth in paragraphs 3. through 11. above; in violation of Title 18, United States Code,
22 Section 1957(a).

23 Counts Eight through Sixteen: (31 U.S.C. §§ 5324(a)(3), 5322(b) - Structuring of Financial
Transactions to Evade Currency Transaction Reports)

24 22. On or about the dates specified below, in the State and Northern District of
25 California, the defendant

26 LAMARK KEVIN LASSITER

27 for the purpose of evading reporting requirements of Title 31, United States Code, Section
28 5313(a) and regulations prescribed thereunder, knowingly structured and attempted to structure

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1 each of the financial transactions set forth in Counts Eight through Sixteen with one or more
 2 domestic financial institutions while violating another law of the United States and as part of a
 3 pattern of illegal activity involving over \$100,000 in the twelve month period of October 1, 2001
 4 through September 30, 2002, each of the transactions listed below constituting a separate and
 5 distinct violation of Title 31, United States Code, Sections 5324(a)(3) and 5322(b):

6	<u>Count</u>	<u>Dates of Transaction</u>	<u>Description of Transaction</u>	<u>Amount</u>
7	8	October 26, 2001	Two Cash Withdrawals at Bank of the West	\$10,000 \$10,000
8				
9	9	November 13 and 14, 2001	Three Cash Withdrawals at Bank of the West	\$10,000 \$7,000 \$3,000
10				
11	10	December 4, 2001 Through December 14, 2001	Five Cash Withdrawals at Bank of the West	\$5,000 \$6,000 \$10,000 \$5,000 \$6,000
12				
13				
14	11	December 17, 2001 Through December 27, 2001	Three Cash Withdrawals at Bank of the West	\$5,000 \$10,000 \$5,000
15				
16	12	January 2, 2002 Through January 18, 2002	Six Cash Withdrawals at Bank of the West	\$10,000 \$10,000 \$10,000 \$10,000 \$7,000 \$10,000
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20	13	February 6, 2002 Through February 21, 2002	Seven Cash Withdrawals at Bank of the West	\$10,000 \$10,000 \$10,000 \$5,000 \$7,000 \$10,000 \$10,000
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23				
24	14	February 28, 2002 Through March 15, 2002	Six Cash Withdrawals at Bank of the West	\$5,000 \$5,000 \$10,000 \$10,000 \$7,000 \$10,000
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2	15	March 21, 2002	Six Cash Withdrawals	\$ 4,500
3		Through April 11,	at Bank of the West	\$10,000
4		2002		\$ 4,600
5				\$10,000
6				\$10,000
7				\$10,000
8	16	May 23, 2002	Five Cash Withdrawals	\$ 4,000
9		Through June 7,	at Bank of the West	\$10,000
10		2002		\$10,000
11				\$ 7,000
12				\$ 7,900

8 Count Seventeen: (26 U.S.C. §7206(1) - Willfully Subscribing To A False Tax Return)

9 23. On or about March 26, 2002, in the State and Northern District of California, the
10 defendant

11 DARRICK JONATHAN CHAVIS,

12 did willfully make and subscribe a materially false U.S. Individual Income Tax Return (married
13 filing jointly) for the year 2001 which was verified by a written declaration that it was made
14 under penalties of perjury and which was filed with the Internal Revenue Service in that:
15 said return falsely declared the amount of adjusted gross income on line 33 of the return to be
16 \$116,005 and, as a result, falsely stated his joint taxable income to be \$43,638, when in truth and
17 in fact, as the defendant well knew, he and his wife had joint taxable income of approximately
18 \$123,893; in violation of Title 26, United States Code, Section 7206(1).

19 Count Eighteen: (26 U.S.C. §7206(1) - Willfully Subscribing To A False Tax Return)

20 24. On or about March 19, 2003, in the State and Northern District of California, the
21 defendant

22 DARRICK JONATHAN CHAVIS,

23 did willfully make and subscribe a materially false U.S. Individual Income Tax Return (married
24 filing jointly) for the year 2002 which was verified by a written declaration that it was made
25 under penalties of perjury and which was filed with the Internal Revenue Service in that:
26 said return falsely declared the amount of adjusted gross income on line 33 of the return to be
27 \$162,267 and, as a result, falsely stated his joint taxable income to be \$72,519 when in truth and
28 in fact, as the defendant well knew, he and his wife had joint taxable income of approximately

1 \$201,286; in violation of Title 26, United States Code, Section 7206(1).

2 Count Nineteen: (26 U.S.C. § 7203 - Willful Failure to File Tax Return)

3 2. Between the close of the calendar year 2001, and on and before April 15, 2002, the
4 defendant

5 LAMARK KEVIN LASSITER

6 defendant herein, who was a resident of San Francisco, in the Northern District of California, and
7 had received gross income of \$112,732.44 during the calendar year 2001, and by reason of such
8 gross income he was required by law, to make an income tax return to the District Director of the
9 Internal Revenue Service for the Internal Revenue District of San Francisco, at San Francisco, or
10 other proper officer of the United States, stating specifically the items of his gross income and
11 any deductions and credits to which he was entitled, and that well-knowing all of the foregoing,
12 did willfully fail to make an income tax return at that time as required by law; in violation of
13 Title 26, United States Code, Section 7203.

14 Count Twenty: (26 U.S.C. § 7203 - Willful Failure to File Tax Return)

15 26. Between the close of the calendar year 2002, and on and before April 15, 2003,
16 the defendant

17 LAMARK KEVIN LASSITER

18 defendant herein, who was a resident of Oakland, in the Northern District of California, and had
19 received gross income of \$63,210.32 during the calendar year 2002, and by reason of such gross
20 income was required by law, to make an income tax return to the District Director of the Internal
21 Revenue Service for the Internal Revenue District of San Francisco, at San Francisco, California,
22 or other proper officer of the United States, stating specifically the items of his gross income and
23 any deductions and credits to which he was entitled, and that well-knowing all of the foregoing,
24 did willfully fail to make an income tax return at that time as required by law; in violation of
25 Title 26, United States Code, Section 7203.

26 Count Twenty-One : (18 U.S.C. § 982 - Criminal Forfeiture)

27 27. The allegations of Counts Three through Seven of this Indictment are
28 realleged and incorporated herein.

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property (not to exceed the value of the above forfeitable property).

All in violation of Title 18, United States Code, Section 982.

A True Bill

DATED:

Grand Jury Foreperson

KEVIN V. RYAN
United States Attorney

CHARLES B. BURCH
Assistant United States Attorney

Approved as to Form: _____
(AUSA:CBBURCH)