



UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA

**INDICTMENT FOR BANK FRAUD, FALSE STATEMENTS TO A BANK,
ENGAGING IN AN UNLAWFUL MONETARY TRANSACTION,
MONEY LAUNDERING, OBSTRUCTING THE DUE ADMINISTRATION
OF THE INTERNAL REVENUE LAWS, AND FORFEITURE ALLEGATIONS**

UNITED STATES OF AMERICA	:	CRIMINAL NO. 16- 132 -JwD -EwD
	:	
	:	18 U.S.C. § 1344
	:	18 U.S.C. § 1014
<i>versus</i>	:	18 U.S.C. § 1957
	:	18 U.S.C. § 1956(a)(1)(B)(i)
	:	26 U.S.C. § 7212(a)
	:	18 U.S.C. § 982(a)(1)
ADRIAN C. HAMMOND, JR.	:	18 U.S.C. § 982(a)(2)

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

1. The defendant, **ADRIAN C. HAMMOND, JR.**, was a resident of Baton Rouge, Louisiana.
2. **HAMMOND** owned and/or operated a number of businesses, including “51/50 Productions, LLC,” through which, according to **HAMMOND**, he worked as a studio producer and event promoter, and “Northgate Investments, LLC,” a real estate holding company. In 2011, **HAMMOND** also owned and operated a business called “Black Gold Rush LLC,” through which, according to **HAMMOND**, he worked as an “oil developer.” In 2013, **HAMMOND** opened a new business, “Best Boilers Seafood, LLC” (“Best Boilers”), which **HAMMOND** represented would operate a full-service seafood restaurant in Baton Rouge.

3. Fidelity Bank of Baton Rouge (“Fidelity”) was a financial institution within the meaning of Title 18, United States Code, Section 20, the deposits of which were insured by the Federal Deposit Insurance Corporation. In or around April of 2013, Fidelity was acquired by Red River Bank (“Red River”), which was also a financial institution within the meaning of Title 18, United States Code, Section 20.

COUNT 1
(Bank Fraud)

4. Paragraphs 1 through 3 of this Indictment are incorporated herein by reference as factual allegations.

5. Beginning in or about August of 2011 and continuing through in or about June of 2015, within the Middle District of Louisiana and elsewhere, the defendant, **ADRIAN C. HAMMOND, JR.**, knowingly did execute and attempt to execute a scheme and artifice to defraud Fidelity and Red River (collectively, “the bank”) and to obtain money belonging to, and under the custody and control of, the bank, by means of material false and fraudulent pretenses, representations, and promises.

6. The purpose of the scheme was (a) to defraud the bank, and obtain money, funds, assets, securities, and other property from the bank by means of material false and fraudulent pretenses, representations, and promises, and (b) for the defendant to unlawfully enrich himself.

7. In furtherance of the scheme, **HAMMOND** executed and attempted to execute the scheme by committing and causing to be committed the following acts, among others:

a. On or about August 19, 2011, **HAMMOND** submitted a personal financial statement to the bank, which contained false and fraudulent representations regarding **HAMMOND’S** financial condition, including, for example, that as of August 31, 2011, he had

approximately \$1,000,000 in bank accounts he referenced in the financial statement.

HAMMOND also falsely represented that he had total assets worth more than \$7.4 million, and a positive net worth of more than \$6.8 million.

b. Between August of 2011 and January of 2012, on an exact date unknown to the grand jury, **HAMMOND** provided the bank with documents that purported to be true and accurate copies of the Internal Revenue Service (“IRS”) Form 1040 Individual Income Tax Returns that he had filed for the years 2009 and 2010. Each purported return was accompanied by a computer print-out from a tax preparation program, TurboTax, which indicated that the document **HAMMOND** had provided to the bank was the same document that **HAMMOND** had actually filed with the IRS. The 2009 document indicated that **HAMMOND’S** adjusted gross income that year was more than \$210,000 and that his business, 51/50 Productions, LLC, had a net profit of more than \$220,000. In fact, the document had not been filed with the IRS. The actual tax return that **HAMMOND** filed for the 2009 tax year reported that his adjusted gross income that year was only \$127 and that 51/50 Productions had a net profit of \$127.

c. In February of 2012, as a result of the acts described above, **HAMMOND** caused the bank to close on a loan to Northgate Investments, LLC, in the amount of \$63,450. On or about February 17, 2012, the bank began disbursing loan proceeds for **HAMMOND’S** benefit.

d. On or about February 1, 2013, **HAMMOND** submitted another personal financial statement to the bank, which contained additional false and fraudulent representations regarding his financial condition, including, for example, that as of February 1, 2013, he had more than \$270,000 in bank accounts he referenced in the financial statement.

HAMMOND also falsely represented that he had total assets worth more than \$7.8 million, and a positive net worth of more than \$7.5 million.

e. In or about January of 2013, **HAMMOND** provided the bank with a document that purported to be a true and accurate copy of the IRS Form 1040 Individual Income Tax Return that he had filed for the year 2011. The 2011 document indicated that **HAMMOND'S** adjusted gross income that year was more than \$430,000 and that his businesses, 51/50 Productions and Black Gold Rush, LLC, had a net profit of approximately \$445,000. In fact, the document had not been filed with the IRS, and the actual tax return that **HAMMOND** did file for the 2011 tax year reported that both his adjusted gross income and his businesses' total net profit were less than \$25,000.

f. In March of 2013, as a result of the acts described above, **HAMMOND** caused the bank to close on two new loans. The first loan, in the approximate amount of \$63,450, was intended to replace the loan that had been issued in 2012. The second loan, in the approximate amount of \$250,000, to Best Boilers Seafood, LLC, was intended to provide additional funding to **HAMMOND** for the purpose of opening the new restaurant.

g. After the bank closed on the loans, in or about March of 2013, **HAMMOND** provided the bank with various documents that, according to **HAMMOND**, represented legitimate business expenses that Best Boilers had incurred or would incur. For instance, **HAMMOND** provided the bank with a document, from Company A, in Baton Rouge, Louisiana, which appeared to be an invoice (Invoice No. 99411), dated September 14, 2012, for approximately \$91,000 worth of equipment for Best Boilers. **HAMMOND** also provided the bank with a second invoice from Company A (Invoice No. 102187), dated November 2, 2012, for approximately \$41,000 worth of additional equipment for Best Boilers. At the time he

submitted the invoices, **HAMMOND** knew that he had not purchased the equipment, nor had he incurred the expenses, reflected on the invoices.

h. On or about March 28, 2013, based on the documents **HAMMOND** had provided and the representations he had made, the bank began disbursing loan proceeds to **HAMMOND**. These disbursements included, among others, the following two cashier's checks, payable to Company A, for payment of the invoices that **HAMMOND** had previously submitted: (1) Check number 1001109, in the amount of \$41,703.03, for Invoice No. 102187, and (2) Check number 1001110, in the amount of \$91,275.11, for Invoice No. 99411. At the time **HAMMOND** obtained the cashier's checks, as **HAMMOND** knew, he had still not purchased the equipment, nor had he incurred the expenses, reflected on the invoices.

i. In or about August of 2014, as the bank investigated **HAMMOND'S** failure to make timely payments on the loan, **HAMMOND** created a fraudulent document, which purportedly withdrew a federal tax lien that had been filed against **HAMMOND**, and caused the fraudulent document to be filed in the 19th Judicial District Court for East Baton Rouge Parish, which concealed the existence of the lien from public records checks and concealed **HAMMOND'S** credit-worthiness from the bank and other third parties, as described more fully in Paragraphs 20 through 31 below, which are incorporated herein by reference.

All in violation of Title 18, United States Code, Section 1344.

COUNTS 2 AND 3
(False Statements to a Bank)

8. Paragraphs 1 through 7 of this Indictment are incorporated herein by reference as factual allegations.

9. On or about the following dates, in the Middle District of Louisiana, the defendant, **ADRIAN C. HAMMOND, JR.**, knowingly made the false statements described below, for the purpose of influencing the action of Fidelity, now known as Red River Bank, with respect to bank loans, with each such false statement constituting a separate count:

Count	Date	Description
2	8/19/2011	HAMMOND submitted a personal financial statement to Fidelity in which he falsely represented that, as of August 31, 2011, he had \$1,000,000 in bank accounts at Chase and Whitney Bank
3	2/1/2013	HAMMOND submitted a personal financial statement to Fidelity in which he falsely represented that, as of February 1, 2013, he had \$273,000 in bank accounts at Chase, Whitney Bank, and Fidelity

Each of the above is a violation of Title 18, United States Code, Section 1014.

COUNT 4
(Engaging in an Unlawful Monetary Transaction)

10. Paragraphs 1 through 7 of this Indictment are incorporated herein by reference as factual allegations.

11. Between on or about March 28, 2013, and on or about April 1, 2013, within the Middle District of Louisiana, the defendant, **ADRIAN C. HAMMOND, JR.**, knowingly engaged in a monetary transaction involving criminally derived property of a value greater than \$10,000, and did aid and abet such transaction, which property was derived from a specified unlawful activity (bank fraud), in that **HAMMOND** caused two cashier's checks, issued by Fidelity, specifically, check number 1001109 in the amount of \$41,703.03, and check number 1001110, in the amount of \$91,275.11, to be deposited into a bank account (account number XXX-XXX-9115) at Regions Bank, in Baton Rouge.

The above is a violation of Title 18, United States Code, Sections 1957 and 2.

COUNTS 5 AND 6
(Money Laundering)

12. Paragraphs 1 through 7 and 11 of this Indictment are incorporated herein by reference as factual allegations.

13. After Fidelity issued the cashier's checks described in paragraph 7(h) above, **HAMMOND** caused the checks to be deposited into a Regions Bank account (account number XXX-XXX-9115), in the name of a company bearing a name that was substantially similar to the actual name of Company A. The business name that appeared on the Regions Bank account began with the same letter as the name of Company A, and used the same seven letters in a slightly different order.

14. Between on or about April 11, 2013 and April 23, 2013, the majority of the funds that had been deposited into Regions Bank account XXX-XXX-9115 were transferred to yet another Regions Bank account, account number XXX-XXX-0985, in the name of "Locations of Louisiana, LLC," which **HAMMOND** exclusively controlled.

15. On or about the dates identified below, within the Middle District of Louisiana, the defendant, **ADRIAN C. HAMMOND, JR.**, did knowingly and intentionally conduct and attempt to conduct financial transactions affecting interstate commerce, knowing that the property involved in the transactions represented the proceeds of specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Section 1344, with the intent to conceal or disguise the nature, location, source, ownership, and control of such proceeds, as set forth more fully below:

Count	Date	Transaction Amount	Description
5	4/12/2013	\$25,000	HAMMOND went to Regions Bank, in Baton Rouge, and obtained a counter check, drawn on account number XXX-XXX-0985, in the amount of \$25,000
6	4/22/2013	\$30,008	HAMMOND went to Regions Bank, in Baton Rouge, and obtained a counter check, drawn on account number XXX-XXX-0985, in the amount of \$30,008

Each of the above is a violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT 7

(Obstructing the Due Administration of the Internal Revenue Laws)

Background

16. Paragraphs 1 through 7, 9, 11, and 13 through 15 of this Indictment are incorporated herein by reference as factual allegations.

17. Dating back to the tax periods ending December 31, 2003 and December 31, 2006, **HAMMOND** had an unpaid balance with the Department of Treasury—Internal Revenue Service (“IRS”), for taxes that **HAMMOND** owed but had not paid. On various dates in 2007 and 2010, the IRS entered assessments against **HAMMOND** for his unpaid tax debt.

18. Beginning in 2011, **HAMMOND** owed an additional sum to the IRS, based on his Form 1040 Individual Income Tax Return for the 2010 tax year, described above, bringing the total amount of his unpaid tax debt to more than \$105,000, none of which he had paid.

19. Continuing through in or about May of 2011, **HAMMOND** did not pay any of his outstanding tax liability. Accordingly, on or about September 30, 2011, in the 19th Judicial District Court for East Baton Rouge Parish, in Baton Rouge, Louisiana, the IRS filed a Notice of Tax Lien against **HAMMOND** for \$114,758.62.

The Endeavor to Interfere and Obstruct

20. Beginning in or about October of 2011 and continuing through on or about August 27, 2014, in the Middle District of Louisiana, the defendant, **ADRIAN C. HAMMOND, JR.**, did corruptly endeavor to impede and obstruct the due administration of the Internal Revenue laws by, among other things, making false representations to the IRS, making false representations to others regarding the status of his unpaid tax liability, and creating and filing a fraudulent “Withdrawal of Filed Notice of Federal Tax Lien,” which purportedly withdrew a federal tax lien that had been filed against **HAMMOND** in 2014, when in fact, as **HAMMOND** well knew, he had a significant, unpaid tax liability and the IRS had not approved or executed the fraudulent withdrawal.

The Purpose of the Endeavor

21. The purpose of **HAMMOND**’s corrupt endeavor was to unjustly enrich himself, appear more credit-worthy to third parties than he actually was, and gain an unjust advantage over honest businessmen and businesswomen who paid their taxes.

Manner and Means

October 2011-March 2013

22. Between October and December of 2011, **HAMMOND** made numerous false representations to the IRS about his ability and intent to pay his unpaid tax liability. According to **HAMMOND**, he was in the process of securing a \$900,000 loan for one of his companies, Black Gold Rush LLC, which worked in the oil industry. **HAMMOND** represented to the IRS that he was close to securing a \$900,000 loan through Fidelity Bank, which would allow him to purchase new equipment for his oil business and also pay off the IRS lien in full.

23. Based on **HAMMOND**’s representations, the IRS agreed to withdraw the tax

lien. On December 19, 2011, the IRS prepared and executed a Form 10916(c), Withdrawal of Filed Notice of Federal Tax Lien (the “First Withdrawal”), withdrawing the notice of the federal tax lien that had previously been filed against **HAMMOND** and relinquishing any lien priority the IRS would have had at the time the lien was filed. On December 29, 2011, the IRS filed the First Withdrawal in the 19th Judicial District Court for East Baton Rouge Parish, in Baton Rouge.

24. Throughout 2012 and early 2013, **HAMMOND** did not pay his outstanding tax liability.

25. **HAMMOND** made numerous representations to the IRS about his reasons for failing to pay. In July of 2012, for instance, **HAMMOND** represented to the IRS that the \$900,000 loan to Black Gold Rush LLC had not closed, because the equipment that the loan was to purchase was not finished being manufactured, because of weather-related construction delays.

26. On or about August 14, 2012, **HAMMOND** called the IRS revenue officer assigned to his file and claimed to have on the phone with him an individual whom **HAMMOND** identified as a “Vice President” at Fidelity. On **HAMMOND**’s behalf, this individual represented to the IRS that he had personally corroborated **HAMMOND**’s representations regarding the construction delays with the equipment manufacturer, and the individual represented that Fidelity’s loan to **HAMMOND** was moving forward. Based on the representations by **HAMMOND** and this individual, the IRS agreed to once again postpone **HAMMOND**’s deadline for repaying his debt. In fact, the individual who posed as a Fidelity bank official during this call did not work for Fidelity and was not a “Vice President” at Fidelity, although the IRS did not know this at the time.

March 28, 2013: The Second Lien

27. By March of 2013, **HAMMOND**'s tax liability remained outstanding. On or about March 28, 2013, in the 19th Judicial District Court for East Baton Rouge Parish, the IRS filed another Notice of Tax Lien against **HAMMOND**, for his unpaid tax liability from the 2003, 2006, and 2010 tax years.

False Statements to a Third Party

28. In or about June of 2014, the IRS served a Notice of Levy (the "notice") on an individual, B.W., who was a tenant living on rental property that **HAMMOND** owned at the time. The effect of the notice was that B.W. would be instructed to mail any rental payments that he/she would otherwise deliver to **HAMMOND** to the IRS.

29. After the notice was filed, **HAMMOND** falsely represented to B.W. that the IRS had "released" the levy and that **HAMMOND** was paying the IRS approximately \$100/month to settle his outstanding tax liability. In August of 2014, the IRS advised B.W. that it had not released the levy, and the IRS delivered B.W. a final written notice to confirm the levy, which B.W. received on or about August 25, 2014.

The Fraudulent Withdrawal

30. On an exact date unknown to the grand jury but prior to August 27, 2014, **HAMMOND** created a fraudulent document, which appeared to be a second Form 10916(c), Withdrawal of Filed Notice of Federal Tax Lien (the "Second Withdrawal"), and which purportedly withdrew the federal tax lien that had been filed against **HAMMOND** in 2013. In fact, the IRS had not prepared, approved, or executed the Second Withdrawal, did not know that the Second Withdrawal had fraudulently been created, and did not wish to remove the lien that it had properly filed and recorded.

31. On or about August 27, 2014, **HAMMOND** caused the Second Withdrawal to be filed in the 19th Judicial District Court for East Baton Rouge Parish, thereby making it appear as though the IRS had relinquished its lien priority, and concealing the existence of the lien from public records checks. At the time he created and filed the fraudulent Second Withdrawal, **HAMMOND** knew that he had a significant, unpaid tax liability, he knew that the IRS had not released its lien, and he knew that the IRS had not approved or executed the fraudulent withdrawal.

The above is a violation of Title 26, United States Code, Section 7212(a).

FORFEITURE ALLEGATIONS

32. Paragraphs 1 through 7, 9, 11, and 13 through 15 of this Indictment are incorporated herein by reference as factual allegations.

33. Upon conviction of one or more of the offenses alleged in Counts 1, 2, and 3 of this Indictment, **ADRIAN C. HAMMOND, JR.**, the defendant herein, shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(2), all property, real and personal, that constitutes or is derived from proceeds the defendant obtained directly or indirectly as a result of the violation, including but not limited to a sum of money equal to the amount of the proceeds of the offense.

34. Upon conviction of one or more of the offenses alleged in Counts 4, 5, and 6 of this Indictment, **ADRIAN C. HAMMOND, JR.**, the defendant herein, shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), all property, real and personal, involved in such offense, or any property traceable to such property, pursuant to 18 U.S.C. § 982(a)(1).

35. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

UNITED STATES OF AMERICA, by

A TRUE BILL

**REDACTED
PER PRIVACY ACT**

for 

J. WALTER GREEN
UNITED STATES ATTORNEY

GRAND JURY FOREPERSON


 ALAN A. STEVENS
 ASSISTANT U.S. ATTORNEY

11/16/16
DATE

Place of Offense:

Matter to be sealed: No Yes

City Baton Rouge
 County/Parish East Baton Rouge
 FBI-Josh Morrill

Related Case Information:

Superseding Indictment _____ Docket Number _____
 Same Defendant _____ New Defendant X
 Magistrate Case Number _____
 Search Warrant Case No. _____
 R 20/ R 40 from District of _____
Any Other Related Cases: _____

Defendant Information:

Defendant Name Adrian C. Hammond

U.S. Attorney Information:

AUSA Alan A. Stevens LBN

Interpreter: No Yes

List language and/or dialect: _____

Location Status:

Arrest Date _____
 _____ Already in Federal Custody as of _____
 _____ Already in State Custody _____
 _____ On Pretrial Release _____

U.S.C. Citations:

Total # of Counts: 7

<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count(s)</u>	<u>Petty/ Misdemeanor/ Felony</u>
<u>18:1344</u>	<u>Bank Fraud</u>	<u>1</u>	<u>Felony</u>
<u>18:1014</u>	<u>False Statements to a Bank</u>	<u>2, 3</u>	<u>Felony</u>
<u>18:1957</u>	<u>Engaging in an Unlawful Monetary Transaction</u>	<u>4</u>	<u>Felony</u>
<u>18:1956(a)(1)(B)(i)</u>	<u>Money Laundering</u>	<u>5, 6</u>	<u>Felony</u>
<u>26:7212(a)</u>	<u>Obstructing the Due Administration of the Internal Revenue Laws</u>	<u>7</u>	<u>Felony</u>

(May be continued on second sheet)

Date: November 16, 2016 **Signature of AUSA:** 

District Court Case Number (To be filled in by deputy clerk): _____