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Wednesday, December 6, 2017

## Helena Woman Steals Millions of USDA Funds Intended for Children, Sent to Prison for More Than 12 Years

LITTLE ROCK—Cody Hiland, United States Attorney for the Eastern District of Arkansas, Dax Roberson, Special Agent in Charge, Southwest Region of the United States Department of Agriculture—Office of Inspector General, Tracey D. Montano, Special Agent in Charge, Internal Revenue Service—Criminal Investigations (IRS-CI), and Diane Upchurch, Special Agent in Charge, Little Rock Field Office for the Federal Bureau of Investigation (FBI), announced Wednesday that United States District Court Judge James M. Moody Jr., sentenced Jacqueline Mills, 42, of Helena, to prison for her role in a multi-million dollar scheme to steal money intended for feeding children in low income areas.

Judge Moody sentenced Mills on Wednesday to 150 months' imprisonment followed by three years of supervised release. She was also ordered to pay \$3,014,276.87 in restitution and to forfeit a number of properties. A jury convicted Mills on 39 different counts, including wire fraud, conspiracy to commit wire fraud, bribery, and money laundering following an eight-day trial in April.

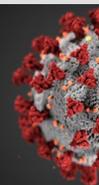
Anthony Waits, who was Mills' co-defendant in trial, was sentenced on October 18, 2017, to 175 months' imprisonment and ordered to pay \$3,316,280.85 in restitution.

"Mills and Waits stole millions of dollars intended for disadvantaged and hungry children in one of the most egregious examples of fraud this office has prosecuted," Hiland said. "The significant sentence each received properly reflects the heinous nature of their crime—preying on the most vulnerable members of our society. Since early 2014, this office has vigorously investigated the massive fraud uncovered in this critical feeding program, and we will continue to do so. When criminals steal from



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children, it's this office's stated intention to ensure that they spend significant time in prison."

The United States Department of Agriculture (USDA) feeding programs in Arkansas are administered through the Arkansas Department of Human Services (DHS). Sponsors who want to participate in the feeding programs must submit an application to DHS for approval. After they are approved, they can provide meals as part of the feeding programs, and they are reimbursed for the eligible meals they serve.

"The Office of Inspector General will pursue justice to the fullest extent of the law when it concerns conduct that impacts the integrity of nutrition programs for needy children," Special Agent in Charge Roberson said.

As proven in trial, Mills, who said she operated 34 feeding sites, submitted inflated numbers of meals purportedly served from her sites. In some cases, no meals were served at all. Co-conspirators Tonique Hatton and Gladys Waits—who worked for DHS and have already pleaded guilty and been sentenced to prison—assisted Mills in her deception. Hatton and Waits were responsible for approving Mills' programs at various times. Mills also made bribe payments to Hatton and Waits to provide protection from DHS scrutiny. Hatton and Waits were among more than 50 witnesses who testified during the trial.

Mills was among those who testified, as well. The jury rejected Mills' testimony that the payments made to Hatton and Waits were merely gifts—including a \$5,000 housewarming gift to Hatton—or reimbursements.

The USDA paid Mills more than \$3 million on her inflated claims, which included several locations where meals were never served. The jury also found that property seized from Mills during the investigation was proceeds of the offense and should be forfeited. This property includes real estate, four vehicles, and more than \$490,000 seized from multiple bank accounts.

"Today's sentencing of Mills marks the continued commitment of the FBI and our partners to aggressively pursue individuals who violate the public's trust and hold them accountable for their self-serving acts," Special Agent in Charge Upchurch said. "Stealing millions of dollars intended to feed hungry children is blatantly wrong. I appreciate the stalwart efforts of the United States Department of Agriculture, IRS, FBI, and the U.S. Attorney's Office for the Eastern District of Arkansas."

Mills is the 13th defendant to be sentenced for their involvement in a scheme to fraudulently obtain USDA program funds intended to feed children in low income areas. Other defendants sentenced include: Anthony Waits; Kattie Jordan (63 months' imprisonment on March 15, 2016); Reuben Nims (21 months' imprisonment on November 2, 2016); Hatton (108 months' imprisonment on January 4, 2017); James Franklin (24 months' imprisonment on January 10, 2017); Maria Nelson (30 months' imprisonment on January 31, 2017); Michael Lee (30 months' imprisonment on May 1, 2017); Christopher Nichols (three years' probation on May 16, 2017); Gladys Waits (108 months' imprisonment on July 17, 2017); Alexis Young (18 months' imprisonment on August 18, 2017); Erica Warren (18 months' imprisonment on August 18, 2017); and, Francine Leon (34 months' imprisonment on September 21, 2017).

Waymon Weams and Dorothy Harper have pleaded guilty to conspiring to defraud

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USDA feeding programs. Elbert Harris has pleaded guilty to wire fraud in relation to the same feeding programs. All three are awaiting sentencing.

In this investigation law enforcement has uncovered more than \$13 million in fraud related to these USDA Arkansas feeding programs.

“IRS-Criminal Investigation is committed to aggressively pursuing individuals who engage in corruption at the expense of hardworking Americans taxpayers,” Special Agent in Charge Montaña said. “Ms. Mills not only bribed DHS employees to receive government contracts to feed disadvantaged children, she then used those funds to line her own pockets. Today’s sentence demonstrates the government’s determination to ensure that individuals attempting to defraud the government will be held accountable. We are proud to have worked with our law enforcement partners to bring this case to a successful resolution.”

Although everyone initially charged in this scheme has now been convicted, the investigation is still ongoing, and continues to be conducted by the USDA–Office of Inspector General, IRS–Criminal Investigations, and FBI. The case is being prosecuted by Assistant United States Attorneys Jana Harris, Allison W. Bragg, and Cameron C. McCree.

If you are aware of any fraudulent activity regarding feeding programs, please email that information to USAARE.FeedingProgramFraud@usdoj.gov.

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