

Department of Justice

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Middle District of Louisiana

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ONE CONVICTED, ONE INDICTED IN SCHEME TO DEFRAUD THE USDA'S SUMMER FOOD SERVICE PROGRAM

BATON ROUGE, LA – United States Attorney Brandon J. Fremin announced this week that Corey Roshel Powell, age 42, of Delhi, Louisiana, pled guilty before U.S. Chief Judge Shelly D. Dick to wire fraud in connection with a scheme to defraud the USDA's Summer Food Service Program. Janie Johnson Smith, age 40, of Monroe, Louisiana, was also indicted with wire fraud for her participation in the scheme. The pair face terms of imprisonment of up to 20 years, fines, and periods of supervised released upon conviction.

The USDA's Summer Food Service Program is a federally-funded child nutrition program that is administered by the Louisiana Department of Education. The SFSP is designed to ensure that children in low-income areas continue to receive nutritious meals during the summer when school is not in session.

According to court records, Powell owned and operated The NELLA Foundation (NELLA), a non-profit organization domiciled in Darrow, Louisiana, which served as a sponsor for the SFSP. Smith, an employee of NELLA, managed the day-to-day operations of NELLA's feeding sites. Over the course of the summers of 2014 and 2015, Powell and Smith inflated the number of meals NELLA purportedly served to low-income children and submitted fraudulent claims for reimbursement based on the inflated numbers. Powell and Smith also falsified program documents to support the false claims for reimbursement. Once the funds were transmitted to NELLA, Powell and Smith used SFSP funds for their own personal expenses such as car and rent payments, or withdrew the funds as cash. Additionally, Powell and Smith ordered food for NELLA's purported operations through lines of credit obtained with food distribution companies, and once reimbursed for these expenses by the Louisiana Department of Education, the two defaulted on the lines of credit and instead converted the funds for their own personal use and financial gain. Over a two year period, NELLA submitted and received approximately \$265,000 in SFSP funds.

U.S. Attorney Brandon J. Fremin stated, "Stealing taxpayer money intended to feed hungry children is a shameful crime that will be dealt with harshly by this office and our partners in the FBI and Louisiana Office of Inspector General. The conviction of one and the indictment of his accomplice are the first steps in bringing these criminals to justice, and a confirmation of our commitment to protect government programs intended for those who truly need assistance."

“Mr. Powell aided by Ms. Smith used funds designated for the USDA Summer Foods Service Program which provides nutritional meals for children in low income families for his or their own personal expenses. Defrauding taxpayers and taking food out of the mouths of children who can’t provide for themselves is reprehensible,” said Bryan Vorndran, FBI New Orleans Special Agent in Charge. “I would like to thank the efforts put forth by our partners at the Louisiana Office of Inspector General for helping the FBI disrupt corruption like this.”

Louisiana Inspector General Stephen Street commented, “In stealing over a quarter million dollars intended to feed hungry children, these defendants showed no concern at all for the taxpayers or the children those funds were supposed to benefit. They brazenly broke the law, and it is entirely appropriate to hold them criminally accountable. Together with our law enforcement partners, the Louisiana OIG will continue to relentlessly pursue individuals who commit this fraud for as long as it takes to send the message that those who steal from the taxpayers do so at their own peril.” Street added, “I want to thank United States Attorney Brandon Fremin and his staff for their usual outstanding work, as well as our partners at the FBI.”

This matter is being investigated by the Baton Rouge Resident Agency of the Federal Bureau of Investigations and the Louisiana Office of Inspector General and is being prosecuted by Assistant United States Attorney Kristen Craig.

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