

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

NO. 5:23-CR-293-DBM

FILED IN OPEN COURT
ON 9-14-2023
Peter A. Moore, Jr., Clerk
US District Court
Eastern District of NC
JAA

UNITED STATES OF AMERICA)

v.)

INDICTMENT

JOE LEWIS JEFFERSON,)
DANYAEL DAVIS JEFFERSON,)

[REDACTED])
TIMOTHY KELVIN HARVEY and)
[REDACTED])

The Grand Jury charges that:

INTRODUCTION

1. Between June 2021 and February 2022, JOE LEWIS JEFFERSON, DANYAEL DAVIS JEFFERSON, [REDACTED] [REDACTED] TIMOTHY KELVIN HARVEY, and [REDACTED] carried out a housing fraud scheme to obtain emergency rental assistance designated for households impacted by the Covid-19 pandemic. The scheme included fraudulent applications submitted to the North Carolina agency tasked with administering federal Covid-19 relief funds to North Carolina residents whose housing was impacted by Covid-19. Collectively, the Defendants fraudulently obtained rental assistance on at least 44 NC HOPE Program applications, resulting in the disbursement of approximately \$279,390 in proceeds in connection with this scheme.

The NC HOPE Program

2. On March 13, 2020, President Donald J. Trump declared the existence of a national emergency in response to the Covid-19 pandemic. On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was designed to provide emergency financial assistance to millions of Americans who were suffering the economic effects caused by the Covid-19 pandemic.

3. One source of relief provided by the CARES Act was the authorization of \$5 billion in Community Development Block Grant ("CDBG") programs as flexible federal funding to states and localities earmarked to prevent, prepare for, and respond to the coronavirus pandemic. The United States Department of Housing and Urban Development ("HUD") administers the CDBG program as a source of flexible federal funding for economic and community development, as well as to direct long-term recovery funding to states and localities in response to disasters and emergencies.

4. Another source of relief allocated in the CARES Act was the establishment of a \$150 billion Coronavirus Relief Fund ("CRF"), funded by the United States Department of Treasury ("US Treasury"), to assist states and localities cover expenses incurred due to the Covid-19 public health emergency.

5. The State of North Carolina's Office of Recovery and Resiliency ("NCORR"), a division of the North Carolina Department of Public Safety, utilized federal funds made available in the CARES Act to assist North Carolina renters to

stay in their homes during the Covid-19 pandemic by preventing evictions and the loss of utility services. The North Carolina Housing Opportunities for the Prevention of Evictions program, known as the “NC HOPE Program”, utilized an initial \$51.5 million allocation of CDBG funds from the CARES Act to provide housing and utility assistance. The State of North Carolina also received CRF funds from the CARES Act, of which \$66 million was allocated to pay administrative costs associated with the NC HOPE Program. This first wave of rental assistance provided to North Carolina renters by the NC HOPE Program, using CDBG and CRF funds, became known as “HOPE 1.0.”

6. On December 27, 2020, the Consolidated Appropriations Act of 2021 (“CAA”) became law, which included \$900 billion in federal support for additional economic assistance and stimulus relief to address the ongoing Covid-19 pandemic. The CAA continued many of the programs authorized under the CARES Act, as well as added new allocations and new guidance to address the continued impact on American lives caused by the pandemic. Among other things, the CAA established the Emergency Rental Assistance (“ERA-1”) program. Funded through the US Treasury, ERA-1 provided \$25 billion for states to administer to households that were impacted by Covid-19 and unable to pay rent or utilities. A second Emergency Rental Assistance program (“ERA-2”) was established through the American Rescue Plan Act of 2021 (“ARP”). Also funded through the US Treasury, an additional \$21.55

billion was made available for states and localities to provide rental and utility assistance to eligible households during the pandemic.

7. The State of North Carolina received a total of \$1.261 billion from ERA-1 and ERA-2. From this funding, 12 counties and six cities received \$493 million directly from the US Treasury. The remaining \$761.5 million was disbursed to fund the NC HOPE Program. This second wave of funding to the NC HOPE Program, through the US Treasury ERA programs, became known as "HOPE 2.0."

8. In total, the NC HOPE Program received \$879 million from the federal government to assist North Carolina renters who faced housing insecurity due to the Covid-19 pandemic.

9. The HOPE 2.0 program paid for up to 15 months of assistance, including 12 months of arrears. In exchange for the NC HOPE Program funds, landlords were required to agree not to evict the tenant for a certain amount of time. The NC HOPE Program closed to applicants on December 17, 2021.

10. To be eligible for assistance through the NC HOPE Program, a tenant must have faced possible eviction or missed rent or utility payments anytime since April 1, 2020, and had lost income, employment, or faced financial hardship due to the Covid-19 pandemic. The tenant applicant must have occupied the rental property as their primary residence and be a named party to the lease or rental agreement. Additionally, the tenant applicant must earn an income less than or equal to eighty percent (80%) of the median income of the county of residence.

11. To obtain assistance, a tenant submitted an electronic application, stating their name, rental address, contact information, household members, household income, and contact information for the landlord or utility provider. The online application also required the tenant to confirm that they lived at the address, were behind on rent or unable to pay rent or utilities due to the Covid-19 pandemic, and the amount owed to the landlord and the utility provider. The NC HOPE Program requested, but did not require, the tenant to submit a form of identification. It also requested a copy of the tenant's lease, or a written statement from the landlord identifying the amount of rent owed. The tenant was required to certify the accuracy and truthfulness of the application.

12. If eligible to receive rental assistance, the NC HOPE Program sent a Landlord Tenant Agreement ("LTA") to the email addresses provided for both the landlord and tenant. In signing the LTA, both parties were required to attest that the statements to the NC HOPE Program were true and correct to the best of their knowledge.

13. Once both parties signed the LTA, the NC HOPE Program required the landlord to submit an Internal Revenue Service Form W-9, with their name, address, filing status, and taxpayer identification number. By signing the W-9, the landlord certified under penalties of perjury the accuracy of the information provided to the NC HOPE Program on the Form W-9.

14. Upon approval, a check issued by the North Carolina Department of Public Safety was sent through the mail directly to the landlord or utility company to pay the tenant applicant's rent or utility bills.

COUNT ONE

15. The Grand Jury realleges and incorporates by reference the allegations contained in Paragraphs 1 through 14 of this Indictment as if fully set forth herein.

16. Beginning at a date unknown to the Grand Jury, but no later than in or about June 2021, and continuing through at least in or about February 2022, in the Eastern District of North Carolina and elsewhere, JOE LEWIS JEFFERSON, DANYAEL DAVIS JEFFERSON, [REDACTED]

[REDACTED] TIMOTHY KELVIN HARVEY and [REDACTED] the defendants herein, did knowingly and willfully combine, conspire, confederate and agree with each other, and others known and unknown to the Grand Jury, to commit an offense against the United States, that is, to knowingly and willfully execute and attempt to execute a scheme and artifice to defraud and obtain money and property by materially false and fraudulent pretenses, representations, and promises, and for purposes of executing or attempting to execute the scheme, used the mails or caused the mails to be used, in violation of Title 18, United States Code, Section 1341 ("Mail Fraud").

Ways, Manner and Means of the Conspiracy

17. The primary purpose of the conspiracy was for the defendants to enrich themselves by obtaining and attempting to obtain emergency rental assistance funds from the NC HOPE Program to which they were not entitled.

18. It was a part of the conspiracy and the scheme to defraud that conspirators submitted and caused to be submitted to the NC HOPE Program applications for emergency rental assistance that contained materially false information.

19. It was further a part of the conspiracy and the scheme to defraud that, for each fraudulent application submitted to the NC HOPE Program, a phony lease agreement or residential lease summary was submitted wherein conspirators falsely claimed to be the landlord of the property listed in the application when, in truth and in fact, they did not own or serve as landlord for the property.

20. It was further a part of the conspiracy and the scheme to defraud that JOE LEWIS JEFFERSON, and others recruited conspirators to serve as nominee landlords on fraudulent NC HOPE applications when, in truth and in fact, they did not own or serve as landlord for the property.

21. It was further a part of the conspiracy and the scheme to defraud that conspirators created email accounts for the purpose of submitting fraudulent NC HOPE Program applications.

22. It was further a part of the conspiracy and the scheme to defraud that conspirators maintained these email accounts to receive correspondence related to

their NC HOPE Program applications, including for the purpose of falsely certifying that they were the landlord or tenant on the Landlord Tenant Agreement (LTA).

23. It was further a part of the conspiracy and the scheme to defraud that conspirators thereby caused the NC HOPE Program to disburse emergency rental assistance in the form of checks sent by U.S. Mail to various addresses within the Eastern District of North Carolina.

24. It was further a part of the conspiracy and the scheme to defraud that many of these checks were mailed to addresses controlled by JOE LEWIS JEFFERSON and DANYAEL DAVIS JEFFERSON, including checks payable to other conspirators.

25. It was further a part of the conspiracy and the scheme to defraud that conspirators opened and maintained post office boxes within the Eastern District of North Carolina for the purpose of receiving some of the checks mailed by the NC HOPE Program.

26. It was further a part of the conspiracy and the scheme to defraud that conspirators negotiated the checks at financial institutions within the Eastern District of North Carolina, including State Employees Credit Union branches and check cashing businesses.

27. It was further a part of the conspiracy and the scheme to defraud that conspirators disbursed to themselves and to other conspirators the proceeds of HOPE Program checks by cash withdrawals, cashier's checks, ATM transactions, retail

transactions, and by checks payable to certain businesses for the benefit of JOE LEWIS JEFFERSON.

28. It was further a part of the conspiracy and the scheme to defraud that as a result of materially false and fraudulent representations made to the NC HOPE Program, approximately 44 checks totaling \$279,390, were issued to JOE LEWIS JEFFERSON, DANYAEL DAVIS JEFFERSON, [REDACTED], [REDACTED] TIMOTHY KELVIN HARVEY, [REDACTED] and other conspirators.

All in violation of Title 18, Unites States Code, Sections 1349 and 1341.

COUNTS TWO THROUGH THIRTY-ONE

29. The Grand Jury realleges and incorporates by reference the allegations contained in Paragraphs 1 through 28 of this Indictment as if fully set forth herein.

30. On or about the dates and in the manner set forth below, in the Eastern District of North Carolina and elsewhere, JOE LEWIS JEFFERSON, DANYAEL DAVIS JEFFERSON, [REDACTED], TIMOTHY KELVIN HARVEY and [REDACTED] defendants herein, aided and abetted by each other and by others known and unknown to the Grand Jury, having devised and intending to devise, and participating in a scheme and artifice to defraud and to obtain money and property by materially false and fraudulent pretenses, representations, and promises, and for purposes of executing and attempting to execute such scheme and artifice, did knowingly cause to be

delivered by U.S. Mail and private and commercial interstate carrier according to the directions thereon and at the place at which the conspirators directed the items described in the table below, each entry constituting a separate count:

C O U N T	DATES	DEFENDANT(S)	MAILING
2	08/24/21 – 09/20/21	JOE LEWIS JEFFERSON	NCDPS check number 100402 for \$10,000 in rental assistance for 108 Sion Ct., Rocky Mount, NC was mailed to JEFFERSON at 3030 Bowers Rd, Littleton, NC.
3	09/08/21 – 12/01/21	JOE LEWIS JEFFERSON	NCDPS check number 177116 for \$10,000 in rental assistance for 5505 Leon Rd., Nashville, NC was mailed to JEFFERSON at 3030 Bowers Rd, Littleton, NC.
4	11/09/21 – 11/29/21	JOE LEWIS JEFFERSON	NCDPS check number 170808 for \$3,000 in rental assistance for 108 Sion Ct., Rocky Mount, NC was mailed to JEFFERSON at 3030 Bowers Rd, Littleton, NC.
5	07/06/21 – 07/19/21	DANYAEL JEFFERSON	NCDPS check number 034954 for \$7,700 in rental assistance for 344 Briarcliff Rd, Rocky Mount, NC was mailed to DANYAEL JEFFERSON at 914 Allen Rd., Apt E, Greenville, NC.
6	07/12/21 – 08/26/21	DANYAEL JEFFERSON	NCDPS check number 086551 for \$6,930 in rental assistance for 910 New St, Rocky Mount, NC, was mailed to DANYAEL JEFFERSON at PO Box 9076, Rocky Mount, NC.
7	11/16/21 – 12/21/21	DANYAEL JEFFERSON	NCDPS check number 183769 for \$2,310 in rental assistance for 344 Briarcliff Rd, Rocky Mount, NC was mailed to DANYAEL JEFFERSON at 914 Allen Rd., Apt E, Greenville, NC
8			

9	07/08/21 – 09/10/21			
10	12/15/21 – 01/11/22			
11	12/15/21 – 02/21/22			
12	07/12/21 – 07/26/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 43730 for \$6,930 in rental assistance for 920 New St, Rocky Mount, NC, was mailed to [REDACTED] at 818 W. Thomas St., Rocky Mount, NC.	
13	07/26/21 – 11/05/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 146958 for \$6,930 in rental assistance for 4148 Harrison Dr, Rocky Mount, NC, was mailed to [REDACTED] at 410 E. Griffin St., Nashville, NC	
14	07/28/21 – 09/02/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 88196 for \$6,705 in rental assistance for 3073 Bowers Rd, Littleton, NC, was mailed to [REDACTED] at 818 W. Thomas St., Rocky Mount, NC	
15	08/25/21 – 09/15/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 100329 for \$10,000 in rental assistance for 1167 Stallion Rd, Rocky Mount, NC, was mailed to [REDACTED] at 818 W. Thomas St., Rocky Mount, NC	
16	09/20/21 – 10/19/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 131818 for \$10,000 in rental assistance for 209 S. 1 st St., Nashville, NC, was mailed to [REDACTED] at 410 E. Griffin St., Nashville, NC.	
17	11/11/21 – 11/29/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 173177 for \$3,000 in rental assistance for 1167 Stallion Rd, Rocky Mount, NC, was mailed to [REDACTED] at 818 W. Thomas St. Rocky Mount, NC.	
18	11/29/21 – 01/11/22	JOE LEWIS JEFFERSON	NCDPS check number 212568 for \$3,080 in rental assistance for 920 New St., Rocky	

				Mount, NC, was mailed to [REDACTED] at 818 W. Thomas St., Rocky Mount, NC.
19	12/03/21 – 01/19/22	JOE LEWIS JEFFERSON [REDACTED]		NCDPS check number 231269 for \$3,000 in rental assistance for 209 S. 1st St., Nashville, NC, was mailed to [REDACTED] at 410 E. Griffin St., Nashville, NC
20	06/16/21 – 07/12/21	JOE JEFFERSON TIMOTHY HARVEY		NCDPS check number 029531 for \$6,705 in rental assistance for 785 NC Highway 903, Roanoke Rapids, NC was mailed to TIMOTHY HARVEY at 818 W. Thomas St, Rocky Mount, NC.
21	06/29/21 – 07/26/21	JOE JEFFERSON TIMOTHY HARVEY		NCDPS check number 42587 for \$6,930 in rental assistance for 410 E. Griffin St., Nashville, NC was mailed to TIMOTHY HARVEY at 818 W. Thomas St., Rocky Mount, NC.
22	07/09/21 – 08/03/21	JOE LEWIS JEFFERSON TIMOTHY HARVEY		NCDPS check number 47607 for \$6,930 in rental assistance for 1409 Dogwood Ave, Rocky Mount, NC was mailed to TIMOTHY HARVEY at 818 W. Thomas St., Rocky Mount, NC.
23	08/12/21 – 09/21/21	JOE LEWIS JEFFERSON TIMOTHY HARVEY		NCDPS check number 106411 for \$10,000 in rental assistance for 2151 Joelene Dr., Rocky Mount, NC was mailed to TIMOTHY HARVEY at 818 W. Thomas St., Rocky Mount, NC.
24	08/25/21 – 09/27/21	JOE LEWIS JEFFERSON TIMOTHY HARVEY		NCDPS check number 111659 for \$10,000 in rental assistance for 2128 Joelene Dr., Rocky Mount, NC was mailed to TIMOTHY HARVEY at 818 W. Thomas St., Rocky Mount, NC.
25	11/09/21 – 11/29/21	JOE LEWIS JEFFERSON TIMOTHY HARVEY		NCDPS check number 173099 for \$3,000 in rental assistance for 2151 Joelene Dr., Rocky Mount, NC was mailed to TIMOTHY HARVEY at 818 W. Thomas St., Rocky Mount, NC.
26	11/11/21 – 12/02/21	JOE LEWIS JEFFERSON TIMOTHY HARVEY		NCDPS check number 177028 for \$3,000 in rental assistance for 2128 Joelene Dr., Rocky Mount, NC was mailed to TIMOTHY HARVEY at 818 W. Thomas St., Rocky Mount, NC.
				NCDPS check number 240724 for \$4,620 in

27	12/08/21 – 01/26/22	JOE LEWIS JEFFERSON TIMOTHY HARVEY	rental assistance for 410 E. Griffin St., Nashville, NC was mailed to TIMOTHY HARVEY at 818 W. Thomas St., Rocky Mount, NC.
28	07/02/21 – 09/07/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 95820 for \$2,310 in rental assistance for 201 Crescent Dr., Rocky Mount, NC was mailed to [REDACTED] at 818 W. Thomas St., Rocky Mount, NC.
29	07/02/21 – 07/16/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 34887 for \$6,930 in rental assistance for 822 W. Thomas St., Rocky Mount, NC was mailed to [REDACTED] at 818 W. Thomas St., Rocky Mount, NC.
30	08/04/21 – 08/17/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 74722 for \$9,000 in rental assistance for 405 E. Griffin Street, Nashville, NC, was mailed to [REDACTED] at 818 W. Thomas St., Rocky Mount, NC.
31	08/04/21 – 08/25/21	JOE LEWIS JEFFERSON [REDACTED]	NCDPS check number 83495 for \$10,000 in rental assistance to 409 E. Griffin St. Nashville, NC was mailed to [REDACTED] at 818 W. Thomas St., Rocky Mount, NC.

In violation of Title 18, United States Code, Sections 1341 and 2.

FORFEITURE NOTICE

Notice is hereby given that all right, title and interest in the property described herein is subject to forfeiture.

Upon conviction of any offense charged herein constituting "specified unlawful activity" (as defined in 18 U.S.C. §§ 1956(c)(7) and 1961(1)), or a conspiracy to commit such offense, the defendants shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C), as made applicable by 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the said offense.

The forfeitable property includes, but is not limited to, the following:

Forfeiture Money Judgment:

- a) A sum of money representing the gross proceeds of the offense(s) charged herein against JOE LEWIS JEFFERSON, in the amount of at least \$23,000;
- b) A sum of money representing the gross proceeds of the offense(s) charged herein against DANYAEL DAVIS JEFFERSON, in the amount of at least \$16,940;
- c) A sum of money representing the gross proceeds of the offense(s) charged herein against [REDACTED] in the amount of at least \$22,380

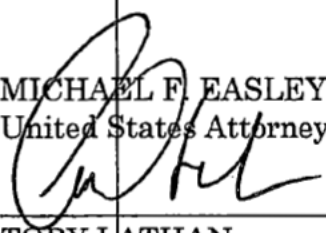
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If any of the above-described forfeitable property, as a result of any act or omission of a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

REDACTED VERSION

Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

Date: 09/13/2023


MICHAEL F. EASLEY, JR.
United States Attorney

TOBY LATHAN
Assistant United States Attorney
Criminal Division