

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
SEP 27 2007
CLERK, U.S. DISTRICT COURT
By _____ Deputy

UNITED STATES OF AMERICA

v.

JAMES L. FANTROY, SR.

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§
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No. 3:07-cv-292 - R K

~~FILED UNDER SEAL~~

unsealed

INDICTMENT

The Grand Jury Charges:

Introduction

At all times material to this indictment:

1. In or about 1990, Paul Quinn College (the college) was established as an educational institution in Dallas, Texas.
2. On or about May 30, 1995, Paul Quinn College Community Development Corporation (Paul Quinn CDC) was incorporated under the laws of the State of Texas.
3. In or about 1998, the United States Department of Housing and Urban Development (HUD) approved Paul Quinn College for a Historical Black Colleges and Universities (HBCU) Grant in the amount of \$250,000. The college hired Paul Quinn CDC to assist in administering this grant, which included the revitalization of the area surrounding the college.
4. On or about May 1, 1999, Paul Quinn College entered into a real estate

management agreement (agreement) with Paul Quinn CDC, which established Paul Quinn CDC as the manager of the Highland Hills Shopping Center, a property owned by Paul Quinn College. As manager, Paul Quinn CDC's responsibilities included collecting rent, paying for ordinary repairs, and providing monthly and annual statements of receipts and expenses to Paul Quinn College. Further, the fiduciary agreement required Paul Quinn CDC to deposit all rental receipts collected by it, less any sums properly deducted or otherwise provided for in the agreement, into a trust account for the benefit of Paul Quinn College.

5. Beginning on or about August 2, 2000, and continuing to on or about June 7, 2002, Paul Quinn College received eight disbursements totaling approximately \$222,853 from HUD pursuant to the HBCU grant, of which more than \$10,000.00 was received during each of the one-year periods ending on September 30, 2001, and September 30, 2002.

6. In or about March 2004, Paul Quinn College began to receive HUD funds from a second HBCU grant, of which more than \$10,000.00 was received during the one-year period ending March 31, 2004.

7. Defendant, **James L. Fantroy, Sr.**, was a member of the Board of Directors and the treasurer of Paul Quinn CDC.

Count One
Embezzlement and Theft From a Program Receiving Federal Funds
(Violation of 18 U.S.C. § 666(a)(1)(A))

8. The Grand Jury realleges and incorporates by reference the allegations set forth in Paragraphs 1 through 7 of this indictment.

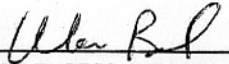
9. From on or about April 26, 2003, and continuing through on or about July 30, 2003, in the Dallas Division of the Northern District of Texas, defendant, **James L. Fantroy, Sr.**, as an agent for Paul Quinn College, said organization receiving within the one-year period ending March 31, 2004, benefits in excess of \$10,000.00 pursuant to a federal program from the United States Department of Housing and Urban Development involving a grant and other form of federal assistance, did unlawfully and knowingly embezzle, steal, obtain by fraud, and convert to the use of any person other than the rightful owner something of value of \$5,000.00 or more, that is, federal program monies held in trust for Paul Quinn College.

In violation of 18 U.S.C. § 666(a)(1)(A).

A TRUE BILL

FC

RICHARD B. ROPER
UNITED STATES ATTORNEY



MARCUS BUSCH
Assistant United States Attorney
Texas Bar No. 03493300
1100 Commerce Street, Third Floor
Dallas, Texas 75242
Telephone: 214.659.8732
Facsimile: 214.747.4104