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United States Courts
Southern District of Texas
FILED

December 14, 2021

Nathan Ochsner, Clerk of Court

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA

v.

ANTHONY HUTCHISON and
BRIAN BUSBY,

Defendants.

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CRIMINAL NO. **4:21-cr-588**

(UNDER SEAL)

INDICTMENT

THE GRAND JURY CHARGES:

Introduction

At all times material to this Indictment:

1. The Houston Independent School District (“HISD”) was a public entity providing prekindergarten through high school education for students in Houston, Texas. HISD was governed by a Board of Education consisting of nine elected Trustees. HISD received directly, and indirectly through the Texas Education Agency, approximately \$300 million per year in federal program funds and grants from the United States Department of Education and other federal agencies. The administration of HISD included a Chief Operating Officer who managed various departments within HISD, including the Construction Services group and the Facilities, Maintenance, and Operations group.

2. ANTHONY HUTCHISON (“HUTCHISON”), operating as Southwest Wholesale LLC (Southwest Wholesale) and Just Partners Construction LLC (Just Construction), obtained contracts and purchase orders from HISD to provide grounds maintenance, landscaping, construction, and repair services to HISD schools and other properties. Operating as AL & H Custom Homes LLC, HUTCHISON engaged in home remodeling.

3. BRIAN BUSBY (“BUSBY”) was the HISD Chief Operating Officer (COO). As part of his responsibilities, he oversaw the Construction Services group and the Facilities, Maintenance, and Operations group.

4. Derrick Sanders (“Sanders”), who has been charged separately, was the HISD Officer of Construction Services.

5. Alfred Hoskins (“Hoskins”), who has been charged separately, was at various times the HISD General Manager of Facilities, Maintenance, and Operations, the HISD General Manager of Maintenance Services and Repairs, and the HISD Senior Manager of Facilities Maintenance.

6. Gerron Hall (“Hall”), who has been charged separately, was the HISD Area Manager for Maintenance (South).

7. Luis Tovar (“Tovar”), who has been charged separately, was the HISD Area Manager for Maintenance (North).

8. Rhonda Skillern-Jones (“Skillern-Jones”), who has been charged separately, was elected to the HISD Board of Education as a Trustee, and served two terms from 2012 to 2019. She was the President of the Board in 2015 and 2018.

COUNT ONE
(18 U.S.C. § 371 – Conspiracy)

9. Beginning in or around 2011 and continuing through in or around 2020, in the Southern District of Texas and elsewhere, the Defendants,

ANTHONY HUTCHISON and
BRIAN BUSBY,

did knowingly combine, conspire, confederate, and agree with Sanders, Hoskins, Hall, Tovar, Skillern-Jones, and others known and unknown to the Grand Jury, to commit offenses against the United States, namely:

- a. to corruptly give, offer, and agree to give anything of value to any person, with intent to influence and reward an agent of an organization and local government that receives more than \$10,000 in federal assistance in any one-year period, in connection with any business, transaction, and series of transactions of such organization and local government involving anything of value of \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(2);
- b. being an agent of an organization and local government that receives, in any one-year period, benefits in excess of \$10,000 in federal assistance, did corruptly solicit and demand for the benefit of any person, and accept and agree to accept, anything of value from any person, intending to be influenced and rewarded in connection with any business, transaction, and series of transactions of such organization and local government involving anything of value of \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(1)(B);
- c. being an agent of an organization and local government, that receives, in any one-year period, benefits in excess of \$10,000 in federal assistance, did embezzle, steal, obtain by fraud, knowingly convert without authority, and intentionally misapply property that is valued at \$5,000 or more and is owned by and is under the care, custody, and control of, such organization and local government, in violation of Title 18, United States Code, Section 666(a)(1)(A).

Manner and Means of the Conspiracy

It was part of the conspiracy that:

10. Beginning in 2011, HUTCHISON, operating as Southwest Wholesale, entered contracts with HISD to provide grounds maintenance, landscaping, and irrigation services to numerous HISD properties over multiple years. Under these contracts, he provided mowing services to HISD, and he supplied HISD schools with a type of mulch, known as "Kiddie Cushion," which is used on playgrounds.

11. Over the span of the conspiracy, HUTCHISON systematically overbilled HISD for mowing services and for mulch, causing millions of dollars in loss to the school district. He inflated his mowing bills to HISD by invoicing for more cuts than he would instruct his subcontractors to perform, and he overbilled for mulch by invoicing for falsely inflated costs. HUTCHISON paid a portion of his fraudulently boosted profits to BUSBY in the form of cash payments and free home remodeling.

12. In addition to obtaining the long-term grounds maintenance contracts with the school district, HUTCHISON also obtained purchase orders for specific construction, repair, landscaping, and maintenance jobs at particular HISD schools and other properties. HUTCHISON obtained these jobs by paying cash bribes, mostly in the form of kickbacks, to HISD personnel who assisted him in obtaining or retaining business with HISD, including BUSBY, Sanders, Hoskins, Hall, Tovar, and Skillern-Jones.

13. In 2017, HUTCHISON maintained a bribe ledger in which he tracked the bribe payments he made in exchange for assistance with securing particular purchase orders. In the ledger, HUTCHISON typically listed the HISD schools where his companies Southwest Wholesale or Just Construction did construction, repair, grounds maintenance, or landscaping work, the type of work, the amount of the invoice paid by HISD for the work, the amount of the

bribe that he paid, the identity of the bribe recipient (identified by initials or first name), the date the bribe was paid, and, at times, the location at which the bribe was paid, such as at local restaurants or schools or while on trips to Las Vegas with the bribe recipients.

14. In return for bribe payments from HUTCHISON, BUSBY helped award HUTCHISON HISD jobs. BUSBY also took steps to expedite payment by HISD to HUTCHISON, in part so that BUSBY could receive his bribe sooner. Sanders, Hoskins, Hall, and Tovar helped award, or refrained from interfering in the award of, HISD jobs to HUTCHISON.

15. In return for bribe payments from HUTCHISON, Skillern-Jones caused to be placed on a 2017 HISD Board agenda, and voted to approve, an expenditure of funds for school landscaping and construction projects that were awarded to HUTCHISON. BUSBY facilitated the bribery relationship between HUTCHISON and Skillern-Jones, and BUSBY personally delivered HUTCHISON's bribe payments to Skillern-Jones.

16. Once BUSBY and HUTCHISON learned of the federal criminal investigation, they tried to interfere in the investigation. BUSBY encouraged Hoskins to lie about BUSBY's role in awarding jobs to HUTCHISON. HUTCHISON told Hoskins to falsely claim to the FBI that the payments reflected in HUTCHISON's ledger were for gambling rather than for bribery.

Overt Acts of the Conspiracy

In furtherance of the conspiracy and to achieve the objects thereof, at least one of the co-conspirators committed or caused to be committed, in the Southern District of Texas and elsewhere, at least one of the following overt acts, among others:

17. On or about June 30, 2011, HUTCHISON, operating as Southwest Wholesale, signed an annual Grounds Services Agreement with HISD.

18. In or about 2014 and 2015, HUTCHISON, individually or through his business entities, paid approximately \$73,000 in total to various contractors for the remodeling of BUSBY's home in Houston.

19. In or about 2017, BUSBY delivered approximately \$12,000 from HUTCHISON to Skillern-Jones related to projects at Holland Middle School and Pleasantville Elementary School.

20. On or about September 16, 2017, HUTCHISON paid BUSBY approximately \$38,000 in Las Vegas, Nevada, related to projects at Elrod Elementary School, T. H. Rogers School, and The Rice School.

21. On or about September 16, 2017, HUTCHISON paid Sanders approximately \$12,000 in Las Vegas, Nevada, related to projects at Garden Oaks Montessori School.

22. On or about October 4, 2017, HUTCHISON paid BUSBY approximately \$10,000 at Chatham Elementary School related to projects at Kashmere Gardens Elementary School, Ashford Elementary School, and Holland Middle School.

23. On or about October 24, 2017, HUTCHISON paid Hoskins approximately \$10,000 at McCarty Street related to a project of providing sandbags to HISD.

24. On or about October 24, 2017, HUTCHISON paid Sanders approximately \$10,000 at a barbeque restaurant related to a project at Codwell Elementary School.

25. On or about October 25, 2017, HUTCHISON paid Hoskins approximately \$25,000 at Cullen Blvd. related to projects at Fonwood Elementary School.

26. On or about October 25, 2017, HUTCHISON paid BUSBY approximately \$21,000 at Cedar Street related to projects at Marshall Middle School, Ashford Elementary School, Jane Long Academy, Piney Point Elementary School, and Atherton Elementary School.

27. On or about November 4, 2017, HUTCHISON paid BUSBY approximately \$20,250 at a seafood restaurant related to projects at Browning Elementary School, North Forest High School, Barbara Jordan High School, and Mark Twain Elementary School.

28. On or about November 7, 2017, HUTCHISON paid Hall approximately \$10,000 at Mandarin Immersion Magnet School related to projects at Bonner Elementary School, Franklin Elementary School, and De Zavala Elementary School.

29. On or about November 16, 2017, HUTCHISON paid BUSBY approximately \$22,500 at a restaurant related to projects at Booker T. Washington High School, Francis Scott Key Middle School, Durham Elementary School, and Pleasantville Elementary School.

30. On or about November 16, 2017, HUTCHISON paid Hoskins approximately \$20,000 at Lamar High School related to projects at the HISD McCarty Building, Fonwood Elementary School, Terrell Middle School, and Chatham Elementary School.

31. On or about November 16, 2017, HUTCHISON paid Sanders approximately \$20,000 at a restaurant related to projects at Kashmere Gardens Elementary School and Kashmere High School.

32. In or about 2017, HUTCHISON paid Sanders approximately \$15,000 related to projects at Waltrip High School.

33. On or about November 27, 2017, HUTCHISON paid Hall approximately \$7,500 at The Rice School related to projects at Cage Elementary School, Poe Elementary School, and Davila Elementary School.

34. On or about December 12, 2017, HUTCHISON paid Hall approximately \$20,000 at 4241 Purdue Street related to projects at J. P. Cornelius Elementary School and Las Americas Newcomer School.

35. On or about December 13, 2017, HUTCHISON paid BUSBY approximately \$50,000 at a gas station related to projects at approximately forty different HISD schools.

36. On or about January 11, 2018, HUTCHISON paid Hall approximately \$20,000 at Lamar High School related to projects at Gross Elementary School and The Rice School.

37. In or about 2017, HUTCHISON made a first payment to Tovar of approximately \$10,000 related to projects at HISD schools.

38. In or about 2017, HUTCHISON made a second payment to Tovar of approximately \$10,000 related to projects at HISD schools.

39. In or about 2019, HUTCHISON, individually or through his business entities, paid approximately \$293,000 in total to various contractors for the remodeling of BUSBY's home in Houston.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO - SEVEN
**(Bribery Concerning Programs Receiving Federal Funds,
18 U.S.C. §§ 666 and 2)**

40. The Grand Jury adopts, realleges, and incorporates herein the Introduction section of the Indictment and paragraphs 10 through 16 of the Manner and Means section of Count One of the Indictment as if set out fully herein.

41. On or about the dates listed below, in the Southern District of Texas and elsewhere, the Defendant,

ANTHONY HUTCHISON,

did corruptly give, offer, and agree to give anything of value to the persons listed below, with intent to influence and reward an agent of an organization or local government that receives more than \$10,000 in federal assistance in any one-year period, in connection with any business,

transaction, and series of transactions of such organization and local government involving anything of value of \$5,000 or more, as listed below:

Count	Approx. Date of Payment	Payment Recipient	Related to Construction, Repair, or Landscaping Project(s) at the Listed School(s) or Building	Approx. Amount of Payment
2	10/24/2017	Sanders	Codwell Elementary School	\$10,000
3	10/25/2017	BRIAN BUSBY	Marshall Middle School, Ashford Elementary School, Jane Long Academy, Piney Point Elementary School, Atherton Elementary School	\$21,000
4	11/16/2017	Hoskins	HISD McCarty Building, Fonwood Elementary School, Terrell Middle School, Chatham Elementary School	\$20,000
5	1/11/2018	Hall	Gross Elementary School, The Rice School	\$20,000
6	2017	Tovar	Various HISD Schools	\$10,000
7	2017	Skillern-Jones	Holland Middle School, Pleasantville Elementary School	\$12,000

In violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNTS EIGHT - THIRTEEN
**(Bribery Concerning Programs Receiving Federal Funds,
18 U.S.C. §§ 666 and 2)**

42. The Grand Jury adopts, realleges, and incorporates herein the Introduction section of the Indictment and paragraphs 10 through 16 of the Manner and Means section of Count One of the Indictment as if set out fully herein.

43. On or about the dates listed below, in the Southern District of Texas and elsewhere within the jurisdiction of the Court, the Defendant,

BRIAN BUSBY,

being an agent of HISD, an organization and local government that receives, in any one-year period, benefits in excess of \$10,000 in federal assistance, did corruptly solicit and demand for the benefit of any person, and accept and agree to accept, anything of value from ANTHONY HUTCHISON, intending to be influenced and rewarded in connection with any business, transaction, and series of transactions of such organization and local government involving anything of value of \$5,000 or more, as listed below:

Count	Approx. Date of Payment	Related to Construction, Repair, or Landscaping Project(s) at the Listed School(s)	Approx. Amount of Payment
8	9/16/2017	Elrod Elementary School, T. H. Rogers School, The Rice School	\$38,000
9	10/4/2017	Kashmere Gardens Elementary School, Ashford Elementary School, Holland Middle School	\$10,000
10	10/25/2017	Marshall Middle School, Ashford Elementary School, Jane Long Academy, Piney Point Elementary School, Atherton Elementary School	\$21,000
11	11/4/2017	Browning Elementary School, North Forest High School, Barbara Jordan High School, Mark Twain Elementary School	\$20,250
12	11/16/2017	Booker T. Washington High School, Francis Scott Key Middle School, Durham Elementary School, Pleasantville Elementary School	\$22,500
13	12/13/2017	Approximately forty HISD Schools	\$50,000

In violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

COUNTS FOURTEEN – TWENTY-FOUR
(Wire Fraud, 18 U.S.C. §§ 1343 and 2)

A. INTRODUCTION

44. The Grand Jury adopts, realleges, and incorporates herein the Introduction section of the Indictment and paragraphs 10 and 11 of the Manner and Means section of Count One of the Indictment as if set out fully herein.

B. THE SCHEME AND ARTIFICE

45. From in or about 2011, and continuing until in or about 2020, in the Southern District of Texas and elsewhere, the defendant,

ANTHONY HUTCHISON,

knowingly devised and intended to devise a scheme and artifice to defraud HISD, and to obtain money by means of materially false and fraudulent pretenses, representations and promises, in that he submitted false proposals and false invoices to HISD for providing mowing services and mulch in order to overbill HISD for materials and services.

C. MANNER AND MEANS OF THE SCHEME

46. Starting in 2011, HUTCHISON, operating as Southwest Wholesale, obtained a series of contracts to provide grounds maintenance, landscaping, and irrigation services to HISD (the “grounds maintenance contracts”) over multiple years, until HISD canceled the final contract in 2020. Pursuant to these contracts, HUTCHISON provided mowing services at HISD properties, and he supplied HISD schools with a type of mulch, known as “Kiddie Cushion,” which is used on playgrounds.

47. HUTCHISON emailed mowing proposals to HISD that claimed Southwest Wholesale would cut each property four times per month during the growing season (March – September) and set pricing accordingly. Consistent with the proposals, HUTCHISON emailed

invoices to HISD that billed HISD for four cuts per month during the growing season, even though two, or at most three, cuts had actually been performed. HISD paid the falsely inflated invoices.

48. In contrast to his communications with HISD, HUTCHISON provided mowing schedules to his subcontractors that instructed them to cut each property twice per month during the growing season.

49. Pursuant to the grounds maintenance contracts, HUTCHISON, operating as Southwest Wholesale, also supplied HISD with Kiddie Cushion mulch. The grounds maintenance contracts provided for a cost-plus-twenty-percent markup fee structure for supplying landscaping materials such as mulch.

50. HUTCHISON overbilled HISD for supplying mulch by falsely inflating the cost he incurred in procuring the mulch from his supplier and then multiplying that inflated cost figure by the twenty-percent markup rate. Typically, he falsely claimed to HISD that he had purchased more mulch than was actually delivered to HISD and that he had paid a higher price per volume than his supplier had charged. HUTCHISON also falsely billed HISD for inflated transportation and delivery costs for the mulch.

51. HUTCHISON emailed proposals to HISD to supply the mulch and emailed invoices to be paid for the mulch, both of which contained the inflated cost figures. HISD approved the proposals and paid the falsely inflated invoices.

D. EXECUTION OF THE SCHEME

52. On or about the dates set forth below, in the Houston Division of the Southern District of Texas and elsewhere, the Defendant, **ANTHONY HUTCHISON**, for the purpose of executing the aforementioned scheme and artifice to defraud and to obtain money by material false

and fraudulent representations, pretenses, and promises, did knowingly cause to be transmitted by means of wire communication in interstate commerce, the emails listed below:

Count	Approx. Date	Wire Communication	Approx. Amount(s)
14	6/7/2017	Accountsreceivable@swat4241.com to padams4@houstonisd.org with attachments: Southwest Wholesale June 2017 Monthly Maintenance Invoices, Main Bldg., North & South Prop, Old Grimes	\$247,923.59
15	8/9/2017	Hutchison@swat4241.com to padams4@houstonisd.org with attachments: Southwest Wholesale Monthly Mowing Proposals Aug. 2017 – Jan. 2018 and Feb. – June 2018	\$815,059.70 \$1,128,544.20
16	6/26/2018	Accountsreceivable@swat4241.com to padams4@houstonisd.org with attachment: Southwest Wholesale June 2018 Monthly Maintenance Invoice	\$250,787.59
17	8/3/2018	Accountsreceivable@swat4241.com to padams4@houstonisd.org with attachments: Southwest Wholesale Monthly Mowing Proposals July 2018 – Dec. 2018 and Jan. – June 2019	\$1,187,615.40 \$1,000,097.30
18	11/8/2018	Accountsreceivable@swat4241.com to hisd_vendorinvoices@houstonisd.org with attachment: Invoice for 2018 Wilson ES Landscape Additions – Kiddie Cushion	\$17,119.80
19	12/5/2018	Accountsreceivable@swat4241.com to hisd_vendorinvoices@houstonisd.org with attachment: Invoice for 2018 Herod ES Landscape Additions – Kiddie Cushion	\$13,407.54

20	12/5/2018	Accountsreceivable@swat4241.com to hisd_vendorinvoices@houstonisd.org with attachment: Invoice for 2018 Garden Oaks ES Landscape Additions – Kiddie Cushion	\$15,120.56
21	12/5/2018	Accountsreceivable@swat4241.com to hisd_vendorinvoices@houstonisd.org with attachment: Invoice for 2018 Brookline ES Landscape Additions – Kiddie Cushion	\$13,416.46
22	12/14/2018	Accountsreceivable@swat4241.com to hisd_vendorinvoices@houstonisd.org with attachment: Invoice for 2018 Wainwright ES Landscape Additions – Kiddie Cushion	\$11,686.28
23	6/18/2019	Hutchison@swat4241.com to padams4@houstonisd.org with attachments: Southwest Wholesale Monthly Mowing Proposals July 2019 – Dec 2019, Jan 2020 – June 2020	\$988,303.39 \$1,173,610.10
24	7/29/2019	Accountsreceivable@swat4241.com to hisd_vendorinvoices@houstonisd.org with attachment: Southwest Wholesale July 2019 Monthly Maintenance Invoice	\$250,731.74

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWENTY-FIVE
(Witness Tampering, 18 U.S.C. § 1512(b)(3))

53. The Grand Jury adopts, realleges, and incorporates herein the Introduction section of the Indictment and the Manner and Means section of Count One of the Indictment as if set out fully herein.

54. In or about 2021, in the Houston Division of the Southern District of Texas,

ANTHONY HUTCHISON,

Defendant herein, did knowingly attempt to corruptly persuade Hoskins to falsely state to FBI Agents that the payments reflected in HUTCHISON's ledger related to gambling winnings and losses rather than to bribes, and HUTCHISON instructed Hoskins to tell Hall and Tovar to repeat the same false gambling story, with the intent to hinder, delay, and prevent the communication to a law enforcement officer of the United States of information relating to the possible commission of a Federal offense, namely, violation of Title 18, United States Code, Section 666, as described in paragraphs 9 through 43 of the Indictment.

In violation of Title 18, United States Code, Section 1512(b)(3).

COUNT TWENTY-SIX
(Witness Tampering, 18 U.S.C. § 1512(b)(3))

55. The Grand Jury adopts, realleges, and incorporates herein the Introduction section of the Indictment and the Manner and Means section of Count One of the Indictment as if set out fully herein.

56. In or about 2020, in the Houston Division of the Southern District of Texas,

BRIAN BUSBY,

Defendant herein, did knowingly attempt to corruptly persuade Hoskins to falsely state to investigators that BUSBY did not direct anyone to use any specific contract vendors, when in reality BUSBY directed his subordinates to use HUTCHISON's companies, and to falsely state to investigators that BUSBY did not personally conduct project "walk-throughs" with contract vendors (part of the purchase order award process), when in reality BUSBY conducted walk-throughs with HUTCHISON, with the intent to hinder, delay, and prevent the communication to a law enforcement officer of the United States of information relating to the possible commission of a Federal offense, namely, violation of Title 18, United States Code, Section 666, as described in paragraphs 9 through 43 of the Indictment.

In violation of Title 18, United States Code, Section 1512(b)(3).

NOTICE OF FORFEITURE
(18 U.S.C. § 981(a)(1)(C); 28 U.S.C. § 2461(c))

57. Pursuant to Title 18, United States Code, Section 981(a)(1)(C), through application of Title 28, United States Code, Section 2461(c), the United States gives notice to Defendants,

**ANTHONY HUTCHISON and
BRIAN BUSBY,**

that upon conviction of a violation of Title 18, United States Code, Sections 371, 666 or 1343, all property, real or personal, which constitutes or is derived from proceeds traceable to such offenses, is subject to forfeiture.

Property Subject to Forfeiture

58. The United States gives notice that the property subject to forfeiture includes, but is not limited to, the following property:

- a. \$90,150.00 in U.S. Currency seized on or about February 27, 2020, from the residence of BUSBY;
- b. \$73,474.00 in U.S. Currency seized on or about February 27, 2020, from the residence of HUTCHISON; and
- c. \$22,400.00 in U.S. Currency seized on or about February 27, 2020, from a fanny pack placed under a seat in the vehicle of HUTCHISON.

Money Judgment and Substitute Assets

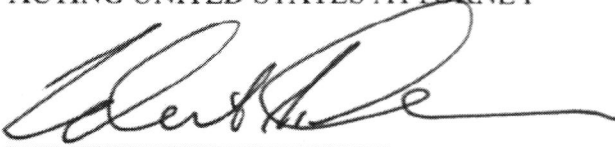
59. The United States gives notice that it will seek a money judgment against each of the Defendants. In the event that one or more conditions listed in Title 21, United States Code, Section 853(p) exist, the United States will seek to forfeit any other property of the Defendants in substitution.

A TRUE BILL:

Original Signature on File

FC [REDACTED] Y

JENNIFER B. LOWERY
ACTING UNITED STATES ATTORNEY



ROBERT S. JOHNSON
Assistant United States Attorney