



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Former Texas Congressman and Associate Indicted for Multi-Year Fraud Scheme**

A former U.S. Congressman and one of his associates were indicted today for their roles in orchestrating a scheme to steal hundreds of thousands of dollars from charitable foundations and the individuals who ran those foundations. Some of the funds were allegedly used to illegally finance the politician's campaigns for public office and to pay for his personal expenses and those of his associates.

Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department's Criminal Division, Acting U.S. Attorney Abe Martinez of the Southern District of Texas, Assistant Director in Charge Andrew W. Vale of the FBI's Washington Field Office and Special Agent in Charge D. Richard Goss of IRS Criminal Investigation's (CI) Houston Field Office made the announcement.

Former U.S. Representative Stephen E. Stockman, 60, of Clear Lake, Texas, and the former director of special projects in Stockman's congressional office, Jason Posey, 46, formerly of the Houston, Texas, area, were charged in a 28-count superseding indictment with mail and wire fraud, conspiracy, making false statements to the Federal Election Commission (FEC), making excessive campaign contributions and money laundering. Stockman is also charged with filing a false tax return that concealed his receipt and personal use of the fraudulent proceeds, while Posey is charged with falsifying an affidavit in order to obstruct an FEC investigation. Thomas Dodd, a former special assistant in Stockman's congressional office, pleaded guilty to his involvement in the scheme on March 20, 2017.

According to the superseding indictment, from May 2010 to October 2014, Stockman solicited approximately \$1,250,000 in donations based on false pretenses. Specifically, the indictment alleges that in 2010, Stockman diverted a significant portion of \$285,000 donated to charitable causes to pay for his and Dodd's own personal expenses and to further Stockman's own interests. The indictment further alleges that in 2011 and 2012, Stockman and Dodd received an additional \$165,000 in charitable donations, much of which Stockman used to finance his 2012 congressional campaign.

Shortly after Stockman took office in the U.S. House of Representatives in 2013, he and Dodd allegedly used the name of a nonprofit entity to solicit and receive a \$350,000 charitable donation. Stockman allegedly used this donation for a variety of personal and campaign expenses, including illegal conduit campaign contributions, a covert surveillance project targeting a perceived political opponent and payments associated with Stockman's U.S. Senate campaign in early 2014.

The superseding indictment further alleges that, in connection with Stockman's Senate campaign, Posey used a nonprofit entity to secure a \$450,571 donation in order to fund a mass-mailing project attacking Stockman's opponent. Only approximately half of the donation was spent on the mail campaign, and Posey used a portion of the unspent balance to pay for expenses associated with Stockman's Senate campaign and to fund personal expenses, according to the charges.

The charges and allegations contained in the superseding indictment are merely accusations. The defendants are presumed innocent until and unless proven guilty.

The FBI and IRS-CI conducted the investigation. Trial Attorneys Ryan J. Ellersick and Robert J. Heberle of the Criminal Division's Public Integrity Section and Assistant U.S. Attorney Melissa Annis of the Southern District of Texas are prosecuting the case.

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