

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION

UNITED STATES OF AMERICA

v.

PATRICIA ADAMS LAMBERT
VICTORIA GAUTHIER STEWARD

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CRIMINAL NO. 1:15-CR- 4

Judge Heartfield

DAVID J. MALAND, CLERK
BY DEPUTY K. Dean

INDICTMENT

THE UNITED STATES GRAND JURY CHARGES:

INTRODUCTION

Beaumont Independent School District

The Beaumont Independent School District (BISD) was established in 1983 through the merger of the former Beaumont School District with South Park Public Schools. The school district covers approximately 150 square miles in Jefferson County, Texas, in the Eastern District of Texas. BISD maintains over 20 campuses, with an enrollment of approximately 21,000 students. Through various federal grants and programs, BISD received federal benefits in excess of \$10,000 per year in all years relevant to this indictment.

Patricia Lambert

Patricia Adams Lambert (Lambert), defendant, was hired by BISD on June 13th, 2002, as a teacher, and on August 28th, 2002, she was promoted to Assistant Principal at Vincent Middle School. On July 15th, 2004, **Lambert** was promoted to Principal and assigned to French Middle School, and on July 1st, 2006, she was assigned

to Central Medical Magnet High School (“CMMHS” or “Central”) as Principal.

CMMHS educated students in the 9th, 10th, 11th and 12th grades. As Principal of Central, **Lambert** was responsible for oversight of the campus; managing personnel; ensuring proper reporting of grades, testing, and attendance to BISD administration; and financial oversight for certain aspects of the campus. On May 17th, 2012, **Lambert** was promoted to Assistant Superintendent and retired from BISD in April 2014.

The Schemes

I. Central Medical Magnet High School Thefts

Booster Clubs are organizations formed to support a school’s various extracurricular activities by fundraising and organizing events. Money raised for a booster club is intended to be used for the benefit of the various clubs and athletic teams. Typically, booster clubs are managed by the parents of students. CMMHS had a longstanding athletic booster club that supported various athletic teams at CMMHS, largely raising money through concession sales at football games. However, in October of 2006, **Lambert** took control of the CMMHS booster club from the parents and began to administer it herself or through others at her direction. In doing so, **Lambert** gained full access to the booster club’s funds, which were not subject to oversight or auditing from BISD administration.

Soon after taking control, **Lambert** began taking money from the booster club and converting it to her own use. **Lambert** wrote at least 20 checks on the booster club for a total of at least \$24,380.71, made payable to her children, but deposited in **Lambert’s**

personal bank account. She also wrote at least 8 checks on the Student Activities account, a CMMHS account designed to support various student clubs and activities, for a total of at least \$7,582.95, made payable to her children, but deposited in her personal bank account. Further, **Lambert** purchased goods for her personal use and benefit using booster club funds, such as clothes, clothing accessories, and electronics.

During the time **Lambert** was in control of the booster club, the club continued to raise funds through concession sales, as it had done prior to **Lambert's** involvement. In addition to concession sales, **Lambert** directed that other streams of funding also be directed to the booster club. In order for students to obtain official copies of their transcripts, they were required to pay a small fee, usually \$5 or less, which had previously been deposited in the "Student Activity Account." However, after taking control of the booster club, **Lambert** began directing some of the student transcript fees to the booster club account. The "Student Activities Account" was subject to BISD administrative oversight, whereas the booster club account was not.

Lambert also diverted money from the Medical Magnet program to the booster club. The CMMHS medical magnet program was comprised of two major academic components. Students in the medical magnet program had the option to enroll in the ChemBridge Program through the Division of Diversity and Community Engagement and the College of Natural Sciences at the University of Texas, as well as the Medical Magnet Dual Credit Program through Lamar Institute of Technology (LIT). Both programs allowed students to earn college credits while still enrolled in high school. In

order to participate, students paid tuition fees, some of which **Lambert** deposited in the CMMHS booster club account. She required that all tuition and fees be paid in cash or by money order, which were delivered to the CMMHS bookkeeper. At **Lambert**'s direction, the bookkeeper would then deposit the money orders in the booster club account. BISD main administration paid the dual credit institution and CMMHS was supposed to reimburse BISD. However, **Lambert** began charging the students more than the institution was charging BISD. For example, in 2010-2011 students were required to pay CMMHS \$1,000 per semester to enroll in the ChemBridge Program and \$1,000 per semester to enroll in the LIT dual credit program. However, as **Lambert** was aware, the actual cost of the ChemBridge program was \$275 per student per year. Additionally, **Lambert** often failed to reimburse BISD for the tuition costs.

CMMHS also received donations from private individuals and businesses for various purposes, including money for scholarships, which was supposed to be deposited in the Student Activities account. At **Lambert**'s direction, however, some of these donations were deposited in the booster club account, rather than used for the purpose intended by the donor, without the donor's knowledge.

Lambert used these "extra" funds deposited in the booster club account for her personal benefit. Between January 9th, 2008 and March 11th, 2013, **Lambert** wrote approximately 25 checks totaling approximately \$28,000 on the booster club account and made payable in her children's names. **Lambert** deposited these checks in her personal bank account and forged her children's endorsements on the backs of the checks. On

March 7th, 2012, a check for \$3,550 was written on the booster club account, made payable to “Cash” but deposited in **Lambert**’s personal bank account. **Lambert** also wrote checks on the booster club account payable to herself, notating on the memo line that they were reimbursement for BISD authorized travel, when, in fact, she had already been reimbursed for those expenses by BISD. **Lambert** further used booster club funds to make personal purchases, including clothing, clothing accessories, electronics, and food. Lastly, **Lambert** used booster club funds to purchase meals and gifts, such as iPads and computers, for CMMHS faculty and staff members, but told them that she was making the purchases using her personal funds.

CMMHS generated significant amounts of cash through various means. For example, when students were found with cell phones on campus or lost their student ID cards, they were required to pay a monetary penalty, usually approximately \$10, although the policy was sporadically enforced. **Lambert** also established an on-campus snack sales area, located near the cafeteria, where students could purchase candy and chips for approximately one dollar each. The inventory of candy and chips was purchased using booster club funds. A portion of the cash proceeds received from the cell phone and ID card fines, as well as candy sales, were then deposited in **Lambert**’s personal bank account.

In 2007 **Lambert** assisted a close family member in becoming an authorized vendor with BISD. From 2007-2013 **Lambert** directed that all printing and graphic work prepared for CMMHS be done through her family member’s companies, “Designergy”

and "Printica." **Lambert**'s relative secured printed items, including pamphlets, flyers, banners, football programs, and instructional materials and received payment by way of checks and wire transfers from a BISD bank account, and checks drawn on the CMMHS Booster Club bank account. In addition, he filled orders and received payments from both BISD and the CMMHS Booster Club for CMMHS logo clothing including caps, t-shirts and lab coats, and "keepsake" items (e.g. key chains, coffee cups, and prom items). The family member also provided printed materials, signage and banners for the annual BISD "Education Summit," which he billed to and received payment from BISD.

Lambert's family member dealt almost exclusively with her in doing business with both CMMHS and BISD. **Lambert** would instruct him on what items to produce and the quantity needed. During the time period **Lambert**'s family member was doing work for CMMHS and BISD, his businesses had no employees other than himself, and no equipment to print or mass produce any of the items he was asked to provide. Rather, he would take his order to other printing businesses that would fill the orders. After paying those vendors, **Lambert**'s relative would bill CMMHS or BISD, after adding an additional mark-up of up to 300% for his services. **Lambert**'s relative would sometimes include extraordinary charges for shipping the items to CMMHS or BISD.

Lambert was aware that her family member was not capable of doing the work himself because she sometimes dealt directly with the vendors actually filling the orders. On occasion, she would instruct her relative's vendors on specific items to purchase and how they should be invoiced in order to disguise the true nature of the actual items

provided.

From 2007 through 2013 **Lambert**'s relative obtained approximately \$480,000 from CMMHS and BISD by securing printing and graphic work ordered by **Lambert** at her sole discretion, and paid for with CMMHS or BISD funds upon her direction.

II. Standardized Test Cheating

States are mandated by the No Child Left Behind Act (NCLBA) of 2001 to implement academic assessment tests in order to receive federal funding under the NCLBA. The NCLBA requires the Texas Education Agency to develop, implement, and regulate the student assessment tests. In Texas, public school students are required to take end-of-year assessment tests at particular grade levels. Students must pass these tests in order to move on to the next grade level or graduate. Tex. Educ. Code § 39.021, et seq. Between 2007 and 2011, Texas schools used the Texas Applied Knowledge and Skills (TAKS) test, and switched to the State of Texas Assessment of Academic Readiness (STAAR) test in the spring of 2012. Texas high school students are required to test on mathematics, science, English, and US history. The Texas Education Agency requires that campus principals and test administrators sign "Oaths of Test Security and Test Confidentiality," ensuring full compliance concerning test security and confidentiality.

These test scores are reported to various levels of state and federal government, including the US Department of Education, and are also used to evaluate the academic achievement and progress of individual schools and school districts as a whole. If a

school performs below standards, it may be declared to be a “low performing” campus, which subjects the school to closer scrutiny from the Texas Education Agency and the US Department of Education. Additionally, if a school continues to be a “low performing” campus, the school district may be obligated to allocate extra funds to that school to aid in increasing the scores. If a school is deemed “low performing” for several years, TEA can mandate that the school “restructure.” If a campus is “restructured,” students must be given the opportunity to transfer to another school. Additionally, the school district or TEA may replace all or most of the school staff that were relevant to the school's failure to meet minimum testing standards, including the principal.

In order to increase the standardized test scores at CMMHS, **Lambert** directed others to raise test scores by any means necessary, including specifically organizing meetings where she and her subordinates would change answers on students' tests. While **Lambert** directed teachers to carry out this scheme, **Victoria Gauthier Steward (Steward)**, a teacher at CMMHS, did a large portion of the actual test changing. On one or more occasions, **Steward** recruited teachers to assist in changing tests. **Steward** and the teachers would meet in a classroom or offices at CMMHS after students completed their standardized tests and **Steward** would provide the teachers with a stack of tests and an answer key. She then directed the teachers to erase the answers on the students' answer cards and replace them with the correct answers. These altered answer documents were then delivered to the BISD administration building, where they were forwarded to Pearson Testing, a contractor hired by the State of Texas to develop and

analyze the state's public school standardized tests. Pearson would then grade the test (using a "Scantron" type system) and report the scores back to BISD. BISD would then transmit those fraudulently inflated scores to the Texas Education Agency who then reported the scores to the US Department of Education, among other governmental agencies.

Count One

**(Violation: 18 U.S.C. § 666
(a)(1)(A) Fraud Upon Programs
Receiving Federal Funds)**

The grand jury re-alleges the introduction and the schemes and artifices described above in this indictment and incorporates the same by reference.

Between January 1st, 2010 and December 31st, 2010, in the Eastern District of Texas, **Patricia Adams Lambert**, defendant, being an employee of the Beaumont Independent School District, Beaumont, Texas, a local government or organization receiving federal benefits in excess of \$10,000 in a twelve month period, did steal, embezzle, obtain by fraud, and otherwise without authority, knowingly convert to the use of a person other than the rightful owner and intentionally misapply property valued cumulatively at \$5,000 or more, and under the care, custody, and control of the Beaumont Independent School District (BISD), all in furtherance of a scheme to convert BISD funds for **Lambert's** personal use and that of her family, to wit: by converting money from the Central Medical Magnet High School Booster Club bank account, the Central Medical Magnet High School Student Activities bank account, Central Medical Magnet

High School dual credit program and proceeds from on-campus snack sales to her own use, and by converting money belonging to BISD to the use of a family member, doing business as "Designery" and "Printica, LLC."

All in violation 18 U.S.C. §§ 666 (a)(1)(A) and 2.

Count Two

**(Violation: 18 U.S.C. § 666
(a)(1)(A) Fraud Upon Programs
Receiving Federal Funds)**

The grand jury re-alleges the introduction and the schemes and artifices described above in this indictment and incorporates the same by reference.

Between January 1st, 2011 and December 31st, 2011, in the Eastern District of Texas, **Patricia Adams Lambert**, defendant, being an employee of the Beaumont Independent School District, Beaumont, Texas, a local government or organization receiving federal benefits in excess of \$10,000 in a twelve month period, did steal, embezzle, obtain by fraud, and otherwise without authority, knowingly convert to the use of a person other than the rightful owner and intentionally misapply property valued cumulatively at \$5,000 or more, and under the care, custody, and control of the Beaumont Independent School District (BISD), all in furtherance of a scheme to convert BISD funds for **Lambert's** personal use and that of her family, to wit: by converting money from the Central Medical Magnet High School Booster Club bank account, the Central Medical Magnet High School Student Activities bank account, Central Medical Magnet

High School dual credit program and proceeds from on-campus snack sales to her own use, and by converting money belonging to BISD to the use of a family member, doing business as "Designery" and "Printica, LLC."

All in violation 18 U.S.C. §§ 666 (a)(1)(A) and 2.

Count Three

**(Violation: 18 U.S.C. § 666
(a)(1)(A) Fraud Upon Programs
Receiving Federal Funds)**

The grand jury re-alleges the introduction and the schemes and artifices described above in this indictment and incorporates the same by reference.

Between January 1st, 2012 and December 31st, 2012, in the Eastern District of Texas, **Patricia Adams Lambert**, defendant, being an employee of the Beaumont Independent School District, Beaumont, Texas, a local government or organization receiving federal benefits in excess of \$10,000 in a twelve month period, did steal, embezzle, obtain by fraud, and otherwise without authority, knowingly convert to the use of a person other than the rightful owner and intentionally misapply property valued cumulatively at \$5,000 or more, and under the care, custody, and control of the Beaumont Independent School District (BISD), all in furtherance of a scheme to convert BISD funds for **Lambert's** personal use and that of her family, to wit: by converting money from the Central Medical Magnet High School Booster Club bank account, the Central Medical Magnet High School Student Activities bank account, Central Medical Magnet High School dual credit program and proceeds from on-campus snack sales to her own

use, and by converting money belonging to BISD to the use of a family member, doing business as "Designery" and "Printica, LLC."

All in violation 18 U.S.C. §§ 666 (a)(1)(A) and 2.

Count Four

**(Violation: 18 U.S.C. § 666
(a)(1)(A) Fraud Upon Programs
Receiving Federal Funds)**

The grand jury re-alleges the introduction and the schemes and artifices described above in this indictment and incorporates the same by reference.

Between January 1st, 2013 and December 31st, 2013 in the Eastern District of Texas, **Patricia Adams Lambert**, defendant, being an employee of the Beaumont Independent School District, Beaumont, Texas, a local government or organization receiving federal benefits in excess of \$10,000 in a twelve month period, did steal, embezzle, obtain by fraud, and otherwise without authority, knowingly convert to the use of a person other than the rightful owner and intentionally misapply property valued cumulatively at \$5,000 or more, and under the care, custody, and control of the Beaumont Independent School District (BISD), all in furtherance of a scheme to convert BISD funds for **Lambert's** personal use and that of her family, to wit: by converting money from the Central Medical Magnet High School Booster Club bank account, the Central Medical Magnet High School Student Activities bank account, Central Medical Magnet High School dual credit program and proceeds from on-campus snack sales to her own

use, and by converting money belonging to BISD to the use of a family member, doing business as "Designery" and "Printica, LLC."

All in violation 18 U.S.C. §§ 666 (a)(1)(A) and 2.

Count Five

**(Violation: 18 U.S.C. § 371
Conspiracy)**

The grand jury re-alleges the introduction and the schemes and artifices described above in this indictment and incorporates the same by reference.

From in or about August 2007 until in or about June 2012, in the Eastern District of Texas, **Patricia Adams Lambert** and **Victoria Gauthier Steward**, defendants, did knowingly, willfully, and unlawfully conspire, combine, confederate, and agree with each other and others known and unknown to the Grand Jury to make or cause another to make one or more materially false, fictitious, and fraudulent statements and representations; and make or use a false writing or document knowing it contained any materially false, fictitious, or fraudulent statement or entry, in a matter within the jurisdiction of the executive branch of the Government of the United States, by making representations and statements that all TAKS and STAAR requirements concerning test security had been met. The statements and representations were false because **Patricia Adams Lambert** and **Victoria Gauthier Steward** then and there knew that a portion of the test answers had been corrected or changed, prior to their submission for scoring, by Central Medical Magnet High School faculty or staff and without the knowledge of the students, in

violation of 18 U.S.C. § 1001(a)(2).

All in violation of 18 U.S.C. § 371.

OVERT ACTS

In furtherance of the conspiracy and to effect the objects thereof, the defendants and co-conspirators performed the following overt acts in the Eastern District of Texas, among others:

a. Between on or about April 1st, 2010 and April 30th, 2010, **Patricia Adams**

Lambert provided an unsealed Texas Applied Knowledge and Skills (TAKS) test question booklet to one or more teachers prior to that test's administration;

b. Between on or about April 1st, 2010 and April 30th, 2010, **Victoria Gauthier**

Steward provided answer keys to one or more teachers for the TAKS test prior to the test being submitted for scoring;

c. Between on or about April 1st, 2010 and April 30th, 2010, **Victoria Gauthier**

Steward and one or more teachers changed students' answers to a TAKS test prior to the tests being submitted for scoring;

d. Between on or about April, 1st, 2011 and May 1st, 2011, **Patricia Adams**

Lambert provided a sealed TAKS test question booklet to a teacher prior to that test's administration;

e. Between on or about April, 1st, 2011 and May 1st, 2011, **Patricia Adams**

Lambert and Victoria Gauthier Steward gathered one or more teachers in a room at CMMHS and provided teachers an answer key for a TAKS test that had just been

administered, as well as an unknown number of completed tests, and instructed the teachers to make sure the students had enough correct answers on the test to pass;

f. Between on or about April 1st, 2012 and May 1st, 2012, **Victoria Gauthier Steward** and one or more teachers changed students' answers to the TAKS and/or State of Texas Assessment of Academic Readiness (STAAR) tests prior to the tests being submitted for scoring.

g. On or about January 30th, 2008, **Patricia Adams Lambert** signed an "Oath of Test Security and Confidentiality for Campus Principal," in which she certified and affirmed that she would faithfully and fully comply with all requirements concerning test security and confidentiality.

h. On or about September 22nd, 2009, **Patricia Adams Lambert** signed an "Oath of Test Security and Confidentiality for Campus Principal," in which she certified and affirmed that she would faithfully and fully comply with all requirements concerning test security and confidentiality.

i. On or about January 25th, 2010, **Patricia Adams Lambert** signed an "Oath of Test Security and Confidentiality for Campus Principal," in which she certified and affirmed that she would faithfully and fully comply with all requirements concerning test security and confidentiality.

j. On or about April 23rd, 2008, **Victoria Gauthier Steward** signed an "Oath of Test Security and Confidentiality for Test Administrator," in which she certified and

affirmed that she would faithfully and fully comply with all requirements concerning test security and confidentiality.

k. Between February 25th, 2009 and October 21st, 2009, **Victoria Gauthier Steward** signed two copies of the “Oath of Test Security and Confidentiality for Test Administrator,” in which she certified and affirmed that she would faithfully and fully comply with all requirements concerning test security and confidentiality.

l. Between January 27th, 2010 and October 14th, 2010, **Victoria Gauthier** **Steward** signed five copies of the “Oath of Test Security and Confidentiality for Test Administrator,” in which she certified and affirmed that she would faithfully and fully comply with all requirements concerning test security and confidentiality.

m. Between February 23rd, 2011 and April 20th, 2011, **Victoria Gauthier Steward** signed two copies of the “Oath of Test Security and Confidentiality for Test Administrator,” in which she certified and affirmed that she would faithfully and fully comply with all requirements concerning test security and confidentiality.

n. On or about April 27th, 2012, **Victoria Gauthier Steward** signed an “Oath of Test Security and Confidentiality for Test Administrator,” in which she certified and affirmed that she would faithfully and fully comply with all requirements concerning test security and confidentiality.

All in violation of 18 U.S.C. § 371.

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

Pursuant to 18 USC § 981(a)(1)(c) & 28 USC § 2461

Upon conviction of one or more of the offenses alleged in Counts One through Five of this indictment, defendant **Patricia Adams Lambert** shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(7), § 981(a)(1)(c) & 28 USC § 2461, any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violations, including but not limited to the following:

A. Personal Property

- 1) Wells Fargo Bank, account number 1899120040 ;
- 2) Wells Fargo Bank, account number 5384226956;
- 3) Wells Fargo Bank; account number 5737787324;
- 4) JPMorgan Chase Bank account number 640786646;

B. Money Judgment

A sum of money equal to \$751,602.76 in United States currency representing the amount of proceeds obtained as a result of the offense described in counts One through Five of this indictment, in violation of 18 U.S.C. §§ 371 and 666.

C. Substitute Assets

If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

By virtue of the commission of the offenses alleged in Counts One through Five of this indictment, any and all interest the defendants have in the above-described property is vested in the United States and hereby forfeited to the United States pursuant to 18 U.S.C. § 982(a)(7).

A TRUE BILL

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GRAND JURY FOREPERSON

JOHN M. BALES
UNITED STATES ATTORNEY


CHRISTOPHER T. TORTORICE
ASSISTANT U.S. ATTORNEY


JOSEPH R. BATTE
ASSISTANT U.S. ATTORNEY

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CRIMINAL NO. 1:15-CR-4

PATRICIA ADAMS LAMBERT
VICTORIA GAUTHIER STEWARD

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NOTICE OF PENALTY

Counts One Through Four

Violation: 18 U.S.C. § 666 (a)(1)(A) (Fraud Upon Programs Receiving Federal Funds); 18 U.S.C. §2 (Aiding and Abetting)

Penalty: Imprisonment of not more than ten (10) years, a fine not to exceed \$250,000, or both; and term of supervised release of not more than three (3) years.

Special Assessment: \$100

Count Five

Violation: 18 U.S.C. § 371 (Conspiracy)

Penalty: Imprisonment of not more than five (5) years, a fine not to exceed \$250,000, or both; and term of supervised release of not more than three (3) years.

Special Assessment: \$100