



# REPORT OF INVESTIGATION

CASE NUMBER:





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## INVESTIGATIVE RECORD REVIEW

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL



## REPORT OF INVESTIGATION

Case Number: (b)(7)(E)

Region/Office: Region 5 - Chicago/Cleveland

Title: James Noyes, ED Ashtabula MHA

### Narrative:

#### BASIS FOR INVESTIGATION:

An anonymous referral to the HUD OIG Hotline alleged a local housing authority executive director purchased music equipment using the housing authority credit card at a box store vendor. Further, it is alleged the executive director worked a 10-hour work week while earning over \$100,000 in salary and benefits.

#### SYNOPSIS:

This investigation supports the allegations that James Noyes (Noyes), former executive director of the Ashtabula Metropolitan Housing Authority (AMHA), defrauded the AMHA by using the agency's credit card for his own personal use. As a result, Noyes was sentenced to 2-years community control and ordered to pay \$20,880 in restitution to AMHA after pleading guilty to committing an attempted theft in office and falsification. Specifically, from January 2014 through July 2017, Noyes used AMHA's credit card to purchase \$20,879.23 in computer and audio equipment for his own personal use; including: an Apple computer, sound recording equipment and software, and data storage devices. Noyes is a musician who goes by the name "Jimmy Rocket" on his YouTube videos. Noyes used the AMHA credit card to further his music career. Furthermore, Noyes falsified requisition orders by concealing the true identity of the purchases and by claiming the purchases were for AMHA. Subsequent interviews determined that the materials purchased by Noyes had no purpose at AMHA.

Report by:

(b)(6); (b)(7)(C)

Approved by:

(b)(6); (b)(7)(C)

Date:

04/14/2021

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Case Number: (b)(7)(E)

## SUBJECT IDENTIFICATION:

NAME: James Noyes

DOB: XX/XX/(b)(6);

SSN: XXX-XX-(b)(6);

ADDRESS: (b)(6); (b)(7)(C)

## PROGRAM DESCRIPTION:

Public housing in the United States is administered by federal, state and local agencies to provide subsidized assistance for low-income households. Public housing is priced much below the market rate, allowing people to live in more convenient locations rather than move away from the city in search of lower rents. Now increasingly provided in a variety of settings and formats, originally public housing in the U.S. consisted primarily of one or more concentrated blocks of low-rise and/or high-rise apartment buildings. These complexes are operated by state and local housing authorities which are authorized and funded by the United States Department of Housing and Urban Development.

## DETAILS OF INVESTIGATION:

During this investigation, numerous witness interviews, file and document reviews were conducted and the subject was interviewed.

In May 2017, HUD OIG was contacted by the Ohio Auditor of State of Ohio (AoS) Special Investigative Unit (SIU), who reported they received a referral from (b)(6); (b)(7)(C)

(b)(6); (b)(7)(C) reported receiving an email from an anonymous sender, who reported Noyes purchased items using Federal or State AMHA funds for his personal use. The complainant detailed they wished to remain anonymous, for fear of retribution and reprisal. The complaint included a list of musical items purchased by Noyes for his part-time musical career. The email documented the following AMHA credit card purchases which the complainant claimed to be for Noyes' personal use:

- 06/24/2014 purchase from "Newegg"; 2 Sennheiser microphones - \$219.00, Reamp-JCR music recording amplifier - \$199.00, SE Electronics irf2 microphone filter - \$99.00, Shure sm58 microphone - \$198.00, and 4 onstage microphone stands - \$99.80.
- 07/14/2014 purchase from "Newegg"; Nady hpa4 4 channel headphone amplifier - \$95.98, 4 stereo cords - \$39.96, 3 Sennheiser DJ and studio headphones - \$420.91.

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- 04/08/2015 “Newegg”; Sennheiser hd600 headphones - \$245.00.
- 12/29/2015 Staples; 96 CD jewel cases - \$51.96 (CS noted that “hundreds” had been purchased in the previous years.
- 06/02/2016 purchase from “Waves Audio Inc”; tape, tubes and transistors music maker - \$499.99, silver music maker - \$149.99.
- 06/09/2016 Newegg; LG external DVD driver - \$49.99, Focusrite claret audio pre-amp - \$699.99.
- 09/08/2016 purchase from “Sweetwater”; Focusrite studio audio preamp - \$499.99.
- 02/08/2017 “Newegg”; Apple DVD burner - \$58.99, Agptec USB cassette tape converter - \$16.99, 2 Sony boom boxes - \$196.00 (one was placed in the lobby and the 2<sup>nd</sup> taken to his residence), and a Blue microphone - \$69.00.

(b)(6); (b)(7)(C) after receiving the above information, and as part of (b)(6); (b)(7)(C) copied the 2016 AMHA - VISA credit card “voucher packets” located in the “Clerk/Accounts payable” office at the AMHA Administrative Office, 3526 Lake Ave, Ashtabula, Ohio 44004. (b)(6); later contacted AoS regarding the allegations and forwarded the records they had compiled. AoS referred the complaint to AoS SUI for further investigation. **(EXHIBIT 1)**

A SIU auditor reviewed the AMHA 2016 voucher packets, copied by (b)(6); and reported \$3,046.63 in unauthorized sound equipment purchased with an additional \$14,113.85 in suspicious and questionable purchases. “Vendor/voucher packets” are auditing controls that (should) include credit card and banking statements, vendor invoices, purchase requisitions, receipts, order forms, warrant information, packing lists or slips, and other associated information regarding said purchases.

(b)(6); explained a “Board of Commissioners” oversees the AMHA with individual expenditures approved by (b)(6); (b)(7)(C) of the AMHA checks. (b)(6); explained (b)(6); (b)(7)(C) was (b)(6); (b)(7)(C) at the time, most likely not knowledgeable in technology and may not have questioned the above purchases. (b)(6); further noted they had contacted the author of the email who explained that they were only a conduit for the information and had no direct knowledge. The author of the complaint letter explained they were forwarding the information to shield the identity of the source from Noyes’ reprisal.

Noyes has been the AMHA Executive Director since 2003, with an office in the "Tony G. Collette Administrative Building", 3526 Lake Ave, Ashtabula, Ohio 44004. HUD OIG reviewed the 2016 voucher packets and reported the majority of the items in question, which were requested and purchased Noyes, had no useful housing authority purpose.

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SIU subsequently issued a subpoena to US Bank, requesting; any and all monthly statements or associated documents, January 2014 through June 2017 inclusive, regarding the AMHA account (b)(6); (b)(7)(C) Federal ID (b)(6); (b)(7)(C) (as listed in the vouchers.) On July 10, 2017, US Bank returned verifying the documents supplied by the complainant and the IPA were matching. **(EXHIBIT 2)**

SIU compiled the above facts and authored the probable cause for a search warrant. On July 21, 2017 SIU met with Ashtabula (b)(6); (b)(7)(C) and (b)(6); (b)(7)(C) in chambers. A closed hearing regarding the issuance of the search warrant was held. (b)(6); (b)(7)(C) after hearing testimony signed and authorized the warrant.

On July 25, 2017, SIU and HUD OIG, along with the support of Ashtabula Police Department executed the search warrant at AMHA. After speaking with employees on scene, it was discovered Noyes was in a meeting, across the street from the AMHA location. Noyes was contacted and responded to AMHA and agreed to be interviewed by SIU and HUD OIG.

Noyes pledged his cooperation and immediately made statements he was aware of what was going on. A request was made asking Noyes if we may speak with him in private and he directed us to his office. Noyes was asked if he wanted the door open or closed and Noyes advised “it didn’t matter to him”. Noyes then uttered “I assume I have the right to a lawyer or something” and immediately answered “I don’t need one” as agents advised “yes you would.” Noyes was advised that “any statements would voluntary, if he so desired”. Noyes reported he has nothing to hide and repeated several times he didn’t need an attorney because he did nothing wrong. Noyes referred to an ex-employee, who he identified as (b)(6); (b)(7)(C) as the complainant and is “stirring up this trouble.” Noyes explained (b)(6); (b)(7)(C) was the (b)(6); (b)(7)(C) (b)(6); (b)(7)(C) and became disgruntled after being had been passed over for the (b)(6); (b)(7)(C) position.

Noyes had previously explained (to other agents on scene) that some of the financial records listed in the warrant were stored at (b)(6); (b)(7)(C) This investigator and author of the warrant was unaware of the additional location and obtained an AoS “Consent to Search Form” for the location listed above. Noyes read and the signed the form, again pledging his full cooperation.

Noyes continued to talk and stated “Am I perfect? Did I make mistakes? Absolutely! Ya. Did I do anything intentionally? No. And is this the direct result of a disgruntled employee? Yes!” Noyes explained he would be retiring next July and when (b)(6); (b)(7)(C) was passed over for his position (b)(6); (b)(7)(C) became a problem in the office and made false accusations. Noyes claimed (b)(6); (b)(7)(C) was eventually “walked out of the office” last March because of the disruptions he caused.

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The Agents briefly explained our investigation and some questionable items that may have been purchased. Noyes described that he no longer has a musical career, has not had a band in three years (2014) and no longer plays music (except for his Mandolin at home.) When asked, Noyes denied making any purchases for his band. This officer explained that AoS had received requisitions and invoices detailing the purchase of \$300 microphones. Noyes claimed “I do have some stuff, but not for my band.” Noyes claimed that he is “allowed under the housing authority the use of their computer equipment and in the past I used the computers to record music, but I don’t do that anymore.” “I have used Housing Authority computers in the past to do recordings but I don’t do that now, but they allowed me.”

Noyes was asked if the musical items in question are on scene to view which would allow officers to cut the search short. Mr. Noyes explained they (AMHA) have an inventory list that goes to the auditor and they (AMHA) had also thrown stuff out and destroyed items throughout the years. Noyes claimed they had “speakers in the high risers (apartment complex) that were taken down and those were actually taken but that wasn’t me”. Noyes claimed “we have done stuff that has been musically related over the twenty years because I support doing stuff for the residents.” Noyes explained AMHA has retained (b)(6); (b)(7)(C) as their outside accounting firm and they should have an inventory of property.

Noyes advised he has two AMHA laptops at his residence and volunteered to retrieve and return them to our location. Noyes signed consent and SIU later followed Noyes to his residence (b)(6); (b)(7)(C) where; two MacBook Pro 1398 laptops (serial #'s (b)(6); (b)(7)(C) and (b)(6); (b)(7)(C)), iMac 1419 ((b)(6); (b)(7)(C)), keyboard, “Seinheiser” headphone, and two Apple disk drives were recovered. Noyes explained he also has several items to gather and explained he would return to AMHA. Noyes wrote a list, documenting eight items that he would later return. **(EXHIBIT 3)**

On August 16, 2017, AMHA Attorney (b)(6); (b)(7)(C) sent an email containing copies of two resolutions, approved by the Board of Directors, dated; August 10, 2017.

**Resolution #938** states that the Board has reviewed the May 27, 1998, policy of Executive Director home computer use and affirms “the professional, personal and household use of computers is deemed a part of the Management employees’ terms of employment as well as a low-cost and effective benefit to obtaining and retaining said employees.” The resolution further affirms “the board has allowed the Executive Director use of computer software, hardware, and equipment for both personal household and professional use for nearly two decades... and is part of the Executive Director’s employment package...”

**Resolution #939** states “the personal use of Authority equipment is deemed a part of the employees’ terms of employment as well as a low-cost and effective benefit to obtaining and retaining said employees... (and) hereby acknowledges that it has allowed the staff of the Ashtabula MHA use of work tools and equipment for personal

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employee use since the Authority began its service.” **(EXHIBIT 4)**

On August 28, 2019, SIU and HUD OIG met with a confidential source referred thereafter as CS-1. CS-1 reported AMHA is controlled by the AMHA Board and represented by their Attorney (b)(6); (b)(7)(C). CS-1 explained the AMHA board members receive no stipend and are appointed by the County Commissioners, Probate Court Judge, City Court Judge, and the City Manager. AMHA Board is responsible for decision making, contract approval, passing resolutions and approving budgets. Board members, usually (b)(6); (b)(7)(C) would attend training and seminars. CS-1 explained the process for a project approval: the job would be proposed, Architects would draw up blueprints and it would then go out for bids. The bids would be accepted and approved by Noyes who would forward it to the Attorney and then presented to the Board at their monthly meeting for their vote.

CS-1 reported (b)(6); (b)(7)(C) Director Noyes, (b)(6); (b)(7)(C) (b)(6); (b)(7)(C) were issued credit cards for travel, incidentals, and emergency purchases. CS-1 explained the purchases were written on a “management expenditure sheet” which would be later submitted to (b)(6); (b)(7)(C) in the receivable/payable department. (b)(6); (b)(7)(C) would process the invoices, requisitions, reconciliations and issue a check for payment. CS-1 relayed that (b)(6); (b)(7)(C) would usually come into the AMHA office twice a month (b)(6); (b)(7)(C) (b)(6); (b)(7)(C) **(EXHIBIT 5)**

On September 5, 2019, SIU and HUD OIG met with (b)(6); (b)(7)(C), the (b)(6); (b)(7)(C) and later (b)(6); (b)(7)(C) of AMHA. (b)(6); (b)(7)(C) recalled Noyes wanted an iMac, “for unknown reasons, because it really didn’t have a purpose.” (b)(6); (b)(7)(C) stated AMHA runs on “Windows” and the Apple system is not compatible. (b)(6); (b)(7)(C) confirmed he was unaware of what Noyes had been purchasing until Noyes forwarded him spreadsheets which itemized purchases of audio equipment. (b)(6); (b)(7)(C) reported those purchases were for Noyes’ personal entertainment and had no purpose at AMHA.

(b)(6); (b)(7)(C) viewed the AoS spreadsheet detailing itemized questionable credit card purchases and verified the illegitimate purchases. (b)(6); (b)(7)(C) further noted audio equipment, recording software, microphones, audio interfacing, speakers, and cabling had no purpose or use at the Housing Authority. (b)(6); (b)(7)(C) reported he may have seen a lot of the items at Noyes home but never made the connection they may have been purchased by AMHA. **(EXHIBIT 6)**

On October 18, 2019, SIU and HUD OIG met with AMHA (b)(6); (b)(7)(C) (b)(6); (b)(7)(C) viewed the AoS scheduled list of questionable items and was “flabbergasted” what Noyes had purchased and stated “he did this right under my nose...I had no idea.” (b)(6); (b)(7)(C) stated she had never seen most of the questionable items at the Housing Authority and sees no purpose for the purchase of music related items. **(EXHIBIT 7)**



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On October 21, 2019, SIU and HUD OIG met with and interviewed (b)(6); (b)(7)(C)  
(b)(6); (b)(7)(C)  
(b)(6); (b)(7)(C) All were represented by attorney (b)(6); (b)(7)(C) All Board members viewed a list containing 74 questionable purchases of: audio equipment; speakers, microphones and stands, synthesizing boards, cabling, along with three Apple computers. Four of the five Board members agreed they were unaware and would have never approved the listed purchases. (b)(6); (b)(7)(C) declined to answer and explained that he doesn't know anything about computers. **(EXHIBIT 8)**

Investigators also met with AMHA (b)(6); (b)(7)(C) who allowed access to the attic/storage at the AMHA where further musical equipment (large speakers, synthesizing board, and cabling) was located. The equipment was photographed and a later review of AMHA purchases failed to identify the items had been purchased with AMHA assets.

(b)(6); (b)(7)(C) was later interviewed and viewed the AoS spreadsheet detailing itemized questionable credit card purchases and verified the illegitimate AMHA purchases. (b)(6); further noted the audio equipment, recording software, microphones, audio interfacing, speakers, and cabling had no use at the Housing Authority. **(EXHIBIT 9)**

## RECORDS REVIEW:

The AoS spreadsheet of credit card purchases, viewed by AMHA members was condensed to document 76 illegitimate purchases of: audio equipment, recording software, microphones, audio interfacing, speakers, and cabling with a total cost of **\$20,879.23**.

## DISPOSITION:

The findings of this investigation were referred to the Ashtabula County Prosecutor's Office for prosecutorial consideration.

On December 21, 2020, ACCPC filed an Information on James Noyes for Attempted Theft in Office **2923.02(A)**, **2921.41(A)(2)(B) F4** and Falsification **2921.13(A)(9)(F)(2) F4**.

On January 8, 2021, James Noyes pled guilty to Attempted Theft in Office **2923.02(A)**, **2921.41(A)(2)(B) F4** and Falsification **2921.13(A)(9)(F)(2) F4**.

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## EXHIBITS:

1. Anonymous Complaint dated June 7, 2017
2. US Bank Records June 13, 2017
3. Search Warrant dated July 25, 2017
4. Computer Home Use Resolution dated August 10, 2017
5. Memorandum of Interview, Confidential Source, dated August 19, 2019
6. Memorandum of Interview, (b)(6); (b)(7)(C) dated September 5, 2019
7. Memorandum of Interview, (b)(6); (b)(7)(C) dated October 18, 2019
8. Memorandum of Interview, (b)(6); (b)(7)(C) dated October 21, 2019
9. Memorandum of Interview, (b)(6); (b)(7)(C) dated Oct 21, 2019 and Oct 23, 2019