



UNITED STATES ATTORNEY'S OFFICE
District of Minnesota

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FORMER CEO OF COMMUNITY ACTION OF MINNEAPOLIS SENTENCED TO 48 MONTHS IN PRISON FOR CONSPIRACY, FRAUD AND THEFT OF PUBLIC FUNDS

Acting United States Attorney Gregory G. Brooker today announced the sentencing of WILLIAM JAMES DAVIS, 66, for stealing more than \$380,000 from Community Action of Minneapolis. DAVIS, who pleaded guilty on June 16, 2016, to all 16 counts of the indictment, was sentenced today before U.S. District Judge Patrick J. Schiltz in U.S. District Court in Minneapolis, Minn.

“William Davis abused his position of trust to steal hundreds of thousands of dollars that were intended to help the most needy people in Minneapolis,” said Acting U.S. Attorney Gregory Brooker. “The sentence imposed today appropriately recognizes this defendant’s crimes.”

“The sentence handed down today underscores the seriousness of the defendant’s crimes in using his leadership position to divert taxpayer funds for his personal use and that of his family and friends,” said FBI Special Agent in Charge for the Minneapolis Division Richard T. Thornton. “The FBI together with our law enforcement partners remain committed to ferreting out these types of crimes and bringing those responsible to justice.”

According to the defendant’s guilty plea and documents filed in court, for 24 years DAVIS served as CEO of Community Action of Minneapolis (“CAM”), a non-profit organization with a mission to help people who were living in poverty in the City of Minneapolis. CAM’s primary funding sources included federal grants administered by the Minnesota Department of Commerce and Minnesota Department of Human Services. CAM also received funding from CenterPoint Energy and Xcel Energy in exchange for providing certain conservation and weatherization services to qualifying homeowners.

According to the defendant’s guilty plea and documents filed in court, between March 2007 and October 2014, DAVIS diverted CAM funds for his own personal use and the use of his family and friends, including a no-show job for his son, JORDAN DAVIS, who was convicted on June 28, 2016, for his role in the fraud scheme. DAVIS used CAM funds for personal expenses, including airline tickets, hotel stays, rental cars and a Caribbean cruise.

According to the defendant's guilty plea and documents filed in court, DAVIS concealed his theft from CAM's Board of Directors by charging the majority of his CAM-paid personal expenses to a slush fund on CAM's books that was not subject to the same oversight as CAM's state and federal grant proceeds. DAVIS could therefore instruct CAM's fiscal staff to charge personal expenses to this slush fund with less risk of detection.

In October 2013, the Minnesota Department of Human Services (DHS) began an audit intended to determine whether CAM was using the federal and state grant funds that it received through DHS in accordance with the applicable contracts. DHS personnel sought documents and information about the purposes of various CAM expenditures. On June 3, 2014, DAVIS sent correspondence to the Commissioner of DHS containing false material representations about his personal travel. On October 13, 2014, DAVIS was suspended from his position as CEO without pay. In total, DAVIS stole more than \$387,063.67 from the agency.

This case is the result of an investigation conducted by the Federal Bureau of Investigation, United States Department of Health and Human Services Office of the Inspector General, Internal Revenue Service – Criminal Investigation and the United States Department of Energy Office of the Inspector General.

This case was prosecuted by Assistant United States Attorneys Kimberly A. Svendsen and Amber M. Brennan.

Defendant Information:

WILLIAM JAMES DAVIS, 66
Brooklyn Park, Minn.

Convicted:

- Conspiracy to commit theft concerning programs receiving federal funds, 1 count
- Mail fraud, 10 counts
- Wire fraud, 1 count
- Theft concerning programs receiving federal funds, 4 counts

Sentenced:

- 48 months in prison
- Two years of supervised release
- \$387,063.67 in restitution

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