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Subdivision built with drug money, agents say

Builder's estate seized in money-laundering probe By Carey Gilliam STAFF WRITER

The setting is serene: luxurious homes, large wooded lots and gentle winding creeks. The neighborhood, the Hope Court, subdivision in southwest Atlanta, seems a sedate haven from the bustle of nearby downtown Atlanta. But the cozy cluster of homes developed by Builder Robert Richardson may be much more than just another small suburban development. Federal investigators say that Hope Court was home to a number of drug traffickers, and the land and homes developed by Richardson represent the fruits of money-laundering activity designed to disguise proceeds from illegal drug dealing. As a result, federal agents are seizing the properties, including the \$245,000 home in Hope Court where Richardson and his family lived until the end of May.

Prosecutors with the U.S. Attorney's Office in Atlanta gave Richardson until June 20 to vacate 408 Peyton Road, a sprawling brick home that featured a white grand piano in a front window. The family moved out over the Memorial Day weekend. Richardson was "a retired drug dealer who relocated to the Atlanta area and basically sought to legitimize his drug proceeds by investing them into the home construction business," says Joseph Plummer, an assistant U.S. attorney involved in the case. "He did it in a fairly good manner. He was pretty smart." Four homes and five undeveloped lots have been seized, though an appeal action is scheduled to be heard for some of the properties June 14. Two of the four homes have been turned over to banks. Three homes that had been sold to "innocent buyers" were left untouched by the government, says Plummer. The homes range in value from about \$170,000 to \$295,000. Richardson could not be reached for comments. His attorney, Jerome Ware, says that his client is fighting the forfeiture because it is unwarranted and unfair. "They haven't been able to prove anything," says Ware. "I think the decision is wrong." Ware has filed an appeal on behalf of his client, but Richardson was forced to move out because he would not post a \$245,000 bond.

According to documents filed by prosecutors in support of their forfeiture action, Richardson's criminal history dates back more than 20 years to a conviction in Washington, D.C., in May 1970 for possession and importation of heroin. In 1981, he was again arrested for the sale of heroin, and in October 1985 he was arrested for carrying a pistol without a license and for possessing and attempting to distribute PCP. In 1986, he was convicted of possession of a firearm by a convicted felon. When Richardson began building the Hope Court homes in 1988, he had only recently been released from Atlanta Federal Penitentiary. Federal prosecutors have not charged Richardson with any new crime, but are basing their forfeiture action on federal money-laundering statutes that allow the government to seize property traceable to certain illegal activities.

Illicit funds

Prosecutors and investigators spell out in court documents why they believe Richardson built Hope Court homes with illicit funds. Their case is based on a series of actions by Richardson and others:

* Richardson's tax returns reported total income from 1988 through 1991 of \$930,577, purportedly from his construction business. But bank deposits into his account at Nations Bank amounted to more than \$1.9 million during that period. The reported income was insufficient to allow Richardson to buy the land and build the homes in Hope Court, federal agents allege.

Moreover, his reported income is not sufficient to explain Richardson's many other land holdings outside Georgia, or his numerous bank and investment accounts, according to Plummer.

* Investigators also allege that Richardson executed fraudulent security deeds to make it appear that his relatives were lending him hundreds of thousands of dollars, when in fact they were not.

* Investigators allege that after Richardson realized he was the subject of an investigation, he set up an offshore corporation called Cougar International that took security interests in some of the properties. He also took out loans on other properties giving security interests to various lenders, thus encumbering them and making them less valuable for federal seizure.

* Investigators point to Richardson's relationships with other known felons. Virginia High, a convicted money launderer, purchased a home at 426 Peyton Woods for \$235,000 from Richardson. She was acting on behalf of convicted drug trafficker Sims Jinks at the time, investigators allege.

Richardson also entered into a lease purchase agreement with Nathaniel Jones for a home at 451 Hope Court, according to court documents. Jones is considered a fugitive, and is wanted on federal drug charges, says Plummer. Investigators are quick to point out that they learned of Richardson's activities only by accident. The Internal Revenue Service had no interest in Richardson in 1992. The agency instead was investigating Virginia High and Sims Jinks, but when IRS agents interviewed Richardson - because of his role in selling a home to High - agents determined that he gave them false information. That's when they became suspicious. "The IRS...just got a funny feeling that something was wrong," says Plummer. "They ran him through the computer and found out he had this history of drug arrests. We didn't know anything about this guy; literally we stumbled onto him, "Sometimes the government gets lucky."

