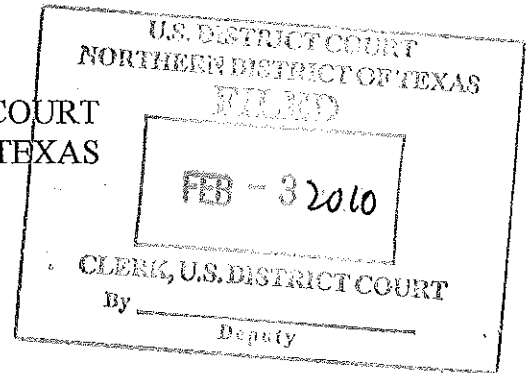


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



UNITED STATES OF AMERICA

v.

GLADYS E. HODGE (06)
a/k/a "Terri Hodge"

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§

Criminal No. 3:07-CR-289-M
ECF

FACTUAL RESUME

It is hereby agreed by and between the defendant, Gladys E. Hodge, her attorney, Jeffrey A. Kearney, and the United States, that the following is true, correct, and can be used in support of the defendant's plea of guilty:

ELEMENTS OF THE OFFENSE

In order to prove the offense alleged in Count 22 of the indictment, Fraud and False Statements on Income Tax Return, 26 U.S.C. § 7206(1), the government must prove each of the following elements beyond a reasonable doubt:

- First:* that the defendant Gladys E. Hodge signed an income tax return that contained a written declaration that it was made under penalties of perjury;
- Second:* that in this return the defendant falsely stated that she received gross income of \$11,287 during the tax year 2002;
- Third:* that the defendant knew the statement was false;
- Fourth:* that the false statement was material; and
- Fifth:* that the defendant made the statement willfully, that is, with intent to

violate a known legal duty.

STIPULATED FACTS

Defendant Gladys E. Hodge, also known as Terri Hodge (“Hodge”), was elected to the Texas House of Representatives, District 100, in 1996, and re-elected to the same position in years 1998, 2000, 2002, 2004, 2006 and 2008. Over the course of her tenure, Hodge supported developments of Southwest Housing Development Company, Inc. (“SWH”) which, among others, included affordable housing developments in District 100. Defendant Cheryl L. Potashnik, whose maiden name was Cheryl L. Geiser, served in multiple roles in management and development of SWH, including that of chief operating officer and principal of SWH. Cheryl L. Potashnik is the wife of defendant Brian L. Potashnik, a real estate developer and the founder, president, and a principal of SWH.

On or before February 27, 2002, Hodge asked Brian Potashnik for assistance in the form of affordable housing for herself within the geographical boundaries of her political district. She indicated that she had financial problems and could not afford to pay the full rate for housing. Beginning in April 2002, the Potashniks made arrangements to provide Hodge with housing in one of SWH’s market-rate affordable housing development units. The unit was located at Rosemont at Arlington Park in District 100. Hodge moved into Apartment 1126 (the “Apartment”) on or about April 1, 2002, and renewed her lease thereafter on or about November 6, 2002, and again on March 23, 2003, at the same rental rate. She paid rent at the rate of \$200.00 per month. As reflected in the executed lease agreements, the market rate for this unit was \$899.00 per month, and the difference in rent

was paid by the Potashniks. In addition, the Potashniks made utility payments on Hodge's behalf from the development's funds during the time she occupied the Apartment and provided new carpeting for her house located at 7106 Abrams Road, Dallas, Texas. The carpeting cost \$1,994.68 and was paid for by the construction arm of SWH, a company named Affordable Housing Construction, Inc. The total value of the rental subsidies, utilities and carpeting provided to Hodge by the Potashniks during the time period from 2002 through 2005 was \$32,541. None of this amount was included as income on the corresponding federal income tax returns for the tax years in which it was received by Hodge.

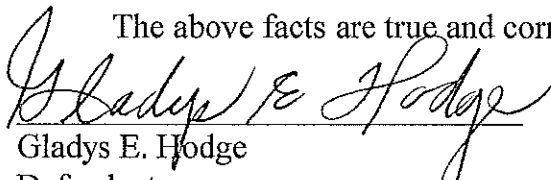
In addition, Hodge had additional income in tax years 2001, 2002, 2003, 2004 and 2005 in the total sum of \$41,465, comprised, in part, of campaign contributions made by various donors to Hodge which she used for her own personal benefit and which she did not include as income on the corresponding federal income tax returns for the tax years in which they were received by Hodge.

Hodge admits that on or about the date set forth below, in the Dallas Division of the Northern District of Texas, Hodge, a resident of Dallas, Texas, did willfully make and subscribe a United States Individual Income Tax Return, Form 1040, which was verified by written declaration that it was made under the penalties of perjury and filed with the Internal Revenue Service, and which Hodge did not believe to be true and correct as to every material matter because it omitted income as she then and there well knew and believed she had received, as follows:

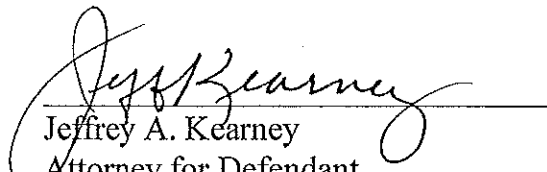
Tax Year	Offense Date	Total Reported Income	Total Omitted Income
2001	May 4, 2002	\$13,562	\$6,914.00
2002	April 15, 2003	\$11,287	\$27,062.00
2003	May 25, 2004	\$8,421	\$13,402.00
2004	April 15, 2005	\$9,374	\$19,908.00
2005	April 15, 2006	\$39,952	\$6,720.00

Gladys E. Hodge further admits and acknowledges that this conduct violated Title 26 of the United States Code, Section 7206(1), resulting in tax due and owing to the IRS. Hodge further stipulates that the tax due and payable by her (exclusive of interest and penalties) in connection with this offense, including relevant conduct, is as follows: \$1,937 for tax year 2001; \$1,496 for tax year 2002; \$1,908 for tax year 2003, \$3,887 for tax year 2004, and \$1,680 for tax year 2005, for a grand total of \$10,908.

The above facts are true and correct.

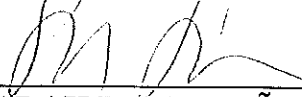

 Gladys E. Hodge
 Defendant

2-1-10
 Date


 Jeffrey A. Kearney
 Attorney for Defendant

2-1-10
 Date

JAMES T. JACKS
UNITED STATES ATTORNEY



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