



DEPARTMENT OF THE TREASURY
Internal Revenue Service
Criminal Investigation

Memorandum of Interview

Investigation #:	1000246364	Location:	Merida Residence
Investigation Name:	Jason Merida		Rattan, Oklahoma
Date:	September 13, 2012		
Time:	Apprx 10:20-1:06 pm		
Participant(s):	Jason Merida, Subject Valerie Merida, Witness Jeff Youngblood, Special Agent, FBI Erika Skaggs, Special Agent Doug Horn, First AUSA Chris Wilson, AUSA		

On the above date and time, Jeff Youngblood and Erika Skaggs introduced themselves to JASON MERIDA (MERIDA) as Special Agents. They displayed their badges and credentials for his inspection. Doug Horn and Chris Wilson for the US Attorney's Office were also present, and introduced themselves. SA Youngblood explained to MERIDA, they were investigating allegations of Builders Steel's theft from the Choctaw Nation Indian Tribe. MERIDA provided the following information:

1. In the summer of 1997, MERIDA worked for the Choctaw Nation of Oklahoma (CNO) digging ditches for the construction projects of the health department. He was in college at Texas A&M Commerce, studying Animal Science. MERIDA graduated in December 1997.
2. After graduation, MERIDA began working for the CNO constructing mapping software, related to a grant the CNO received from the EPA. In October 1998, MERIDA was promoted to the director of the special remodeling projects for the CNO health department. Greg Pillars was MERIDA's assistant. Special projects included Idabel, McAlester, Poteau, Atoka and Broken Bow health clinics. Greg Pillars is currently working at the Talihina Hospital for the CNO.
3. Flintco was the construction manager for the Talihina health clinic. This clinic was constructed prior to MERIDA's involvement in the special projects. MERIDA believes that DEWAYNE GIFFORD (GIFFORD) and CNO Assistant Chief Gary Batton (Batton) met on the on this project. MERIDA was not involved with this project.

4. Batton and GIFFORD were close before MERIDA met GIFFORD. It always seemed that Batton trusted and agreed with GIFFORD more than anyone else involved in construction. Batton trusted GIFFORD more than MERIDA.
5. In 2007, MERIDA was promoted to Executive Director of Construction for the major construction projects the CNO was beginning. Chief Greg Pyle (Pyle), and Batton already had the concepts for the major casino projects. MERIDA was behind the learning curve, and attempted to learn as fast as he could.
6. Flintco employees Max Bennett (Bennett) and Kirby Leonard (Leonard) were project managers for the CNO health and gaming projects. Leonard worked on Broken Bow and Atoka clinics. GIFFORD and Batton already had a close relationship from the health clinics.
7. MERIDA first met BRENT PARSONS (BPARSONS) at the McAlester Clinic. BPARSONS was very loud and was cutting up with GIFFORD outside the clinic construction. You could not avoid BPARSONS. He was overwhelming. He was larger than life, and very loud. BPARSONS worked for Premier Steel at that time. BPARSONS was always interested in helping friends, and appeared very successful. It did not appear that BPARSONS knew Batton as well as GIFFORD.
8. BPARSONS seemed to purchase things for everyone he knew. He was in business with Rob Thompson (Thompson). BPARSONS took Thompson on trips. BPARSONS took Rob Thompson to Las Vegas, NV. BPARSONS took eight men to Cabo San Lucas, for golf, and paid for all of it. Shawn Dolan went on that trip. BPARSONS always picked up the bill for MERIDA and his wife, whenever they did things together.
9. Soon after MERIDA began his work at the Executive Director of Construction, Batton called for a construction committee to include Joy Colbruth, Executive Director of Education; Matt Gregory, Executive Director of Commerce; and Janie Dillard (Dillard), Executive Director of Gaming.
10. Bids, for a program manager over major construction agreement for CNO casinos, were placed with the CNO by Flintco, Foxcor, and Yates Construction. The CNO building committee chose Flintco, based on scoring criteria and the committee was familiar with them from construction on the health clinics.
11. Once Flintco was chosen as the program manager. A meeting was held in the south side of the Durant casino with GIFFORD, Robin Flint, Tom Maxwell (Maxwell)-CEO Flintco, Charlie Straucer-CFO Flintco, Kevin Moise-Flintco's Vice President of Memphis division, MERIDA, Batton, and Dillard. In this meeting, Maxwell requested that Flintco act as the program manager and the construction manager. If this was approved by the CNO, Flintco would wall off the program management team from the construction management team to keep from having "the fox watching the hen house." In retrospect, this was not done very well.

12. Batton and Maxwell verbally agreed to both the program and construction management, but there were very little actually written in a contract. In this "handshake agreement," Batton and Maxwell agreed to 4% commission based on cost of construction. Flintco would pay all third parties, and would agree to all subcontracts. The CNO would only have to manage one contract, with Flintco. Darrell Harris wrote a short contract, for the program management. This contract was inadequate, but MERIDA was new and did not feel it was his place to say anything.
13. CNO's building committee found it beneficial to have program and construction management in one business because of the rush to open the casinos. The ease from one management to the other would save time. Each machine in the casinos makes \$350 per day. Every day the casinos are not open, the CNO was losing money.
14. MARK ESCHENRODER became the construction manager at Flintco, over the CNO casino projects.
15. The next step was to secure an architect. Worth Group, Childers and Reese Architect firms submitted bids. Flintco brought in Reese, and claimed that if the CNO wanted to open the Grant and McAlester casinos in a short amount of time, Reese would have to be chosen because Flintco worked efficiently with them. Reese was chosen from Grant and McAlester. Childers Architects did Stringtown because Batton, Dillard and MERIDA all enjoyed working with them on other projects. Flintco and Worth Group worked out the rest of the agreements including Durant. Worth Group and Flintco had a nine page contract.
16. The CNO agreed to pay Flintco, a fee of 5% of the architecture, for office and management expenses. It was the only way Batton and Maxwell could agree to make up the administrative fees.
17. The benefit to the CNO using Flintco for both program management and construction management was the ease of moving forward once a decision was made. The CNO wouldn't have to find a construction management firm once they decided what they wanted to build. Flintco was supposed to separate themselves as two different entities. GIFFORD received a promotion to program management to help differentiate between the two separate management teams. However, this line was not as firm as it should have been. MERIDA often heard jokes about how silly the CNO was for allowing Flintco to manage both sides. MERIDA was new and did not want to say anything against what Batton approved.
18. From 2007-2010, the CNO used the same subcontractor for steel; Builders Steel. LAURI NOBLE PARSONS (LPARSONS) owned Builders Steel. BPARSONS was the sales man. MERIDA does not know if the "three bid" policy was followed with Builders Steel. GIFFORD wanted to use Builders

Steel. MERIDA did not feel that he could say anything to GIFFORD, because Batton was very close to GIFFORD.

19. Grant, McAlester and Stringtown casinos were to be built as soon as possible. Everyone was in a big hurry to complete them. Builders Steel received the steel contracts on all three casinos.
20. Construction Pay Applications must first be signed by construction manager and architect before they come to the CNO to be signed by MERIDA and Janie Dillard.
21. On the McAlester project, there were three bidders for steel. However, there is a secret to the bidding process. If you do not fill out every blank, your bid can be denied simply for having blanks on the form. Builders Steel was the only one that completed the form in its entirety. MERIDA has the paper work related to the bids in his office. MERIDA kept them in binders in his office, stored in archives in the back. There are 4 binders for the Durant project
22. After working with Builders Steel for some time, MERIDA researched how long the CNO had done business with them. Builders Steel (when it was still Noble Steel) worked on the original Pocola casino, a long time ago.
23. BPARSONS paid for all types of different things for many different people. At the CNO Chief's Auction, BPARSONS donated to, and purchased back, a \$37,000 trip for four rounds of golf at Pebble Beach. Reese Architect firm was the other bidder against BPARSONS at this auction. After winning, BPARSONS tried to take Pyle, and Batton and both of them said no. Batton told MERIDA he could go. MERIDA suggested that Matt Gregory from the CNO go with them, because BPARSONS had room for one more. Batton told MERIDA not to ask Gregory. Batton said only MERIDA would be going.
24. MERIDA went to Pebble Beach, and stayed at the Renaissance Hotel in Tulsa prior to flying out. BPARSONS paid for it all, along with the Renaissance Hotel stay. GIFFORD, Max Bennett, BPARSONS and MERIDA went to Pebble Beach. Everyone that went, flew on a private plane from Jenks, OK non-stop to Pebble Beach. BPARSONS tipped everyone, paid for the rental vehicle, and the meals for everyone. MERIDA received many shirts from the pro shop as well.
25. GIFFORD and the PARSONSES partnered to purchase a house that GIFFORD lives in. They often discussed starting a company called DeWayco. BPARSONS would finance it, and they could do all the construction for the CNO. GIFFORD's wife is in a mentally insane institution. GIFFORD is mysterious and quiet. His son is an AUSA in the Eastern District of Oklahoma. GIFFORD's daughter is a doctor. GIFFORD's granddaughter has Cystic Fibroses. MERIDA was invited to play in a golf tournament to benefit Cystic Fibroses with GIFFORD and BPARSONS. GIFFORD also received a Cadillac from BPARSONS before MERIDA did.

26. CORDELL BUGG, another Flintco employee, received money from BPARSONS and his wife, LPARSONS frequently. BUGG was the one that prepared pre-construction estimates. BUGG was always in the middle of projects for the CNO. LPARSONS told MERIDA that she gave BUGG money to pay his mortgage, and car payments. LPARSONS and BUGG's wife, Tracy, were friends. LPARSONS said Tracy spent too much money. BUGG gambled their money away too.
27. The PARSONSES often seemed proud of all they had paid for many different people. BPARSONS documented all the giving he provided; for proof. BPARSONS said to MERIDA and his wife that he can always recall who owes him.
28. MERIDA received golf clubs, and 24 dozen golf balls and four rounds of golf in Oklahoma, from BPARSONS on a separate occasion. MERIDA also received 3 sets of Bose Radio Systems. BPARSONS came to MERIDA's father-in-law's home and delivered the radios.
29. Batton did not go on the Pebble Beach golf trip, but received golf clubs and a 32-40" television from BPARSONS. Todd Boffman, a friend of Batton's, witnessed Batton receiving items from BPARSONS at the Four-wheeler trail ride. Boffman works for the CNO, at the Health Department. He is also an EMT, and works as one at the trail rides. It was also rumored that Batton received work done on his home from BPARSONS.
30. At another auction, BPARSONS donated to, and purchased back a hunting trip to New Mexico. Again, BPARSONS asked Pyle and Batton. Batton agreed to go on the hunting trip. BPARSONS took MERIDA and Batton to Bass Pro Shops and purchased them full camouflage gear and binoculars. BPARSONS provided rifles to both Batton and MERIDA, that they did not have to return. MERIDA still has his rifle now. Elk tags were already purchased in advance by BPARSONS. BPARSONS paid to have the meat from the animals MERIDA killed processed. Twelve ice chests full of meat were delivered to MERIDA at the CNO.
31. In 2009, MERIDA was talking to BPARSONS about BPARSONS selling his Cadillac Escalade and getting his wife LAURI PARSONS a Land Rover. MERIDA told BPARSONS that if BPARSONS ever followed through, MERIDA would like to buy it. Later, BPARSONS called MERIDA and said he was ready to sell his Escalade. MERIDA and BPARSONS agreed that MERIDA would buy the vehicle for \$25,000. The Escalade was only 8 months old. They assumed it was worth about as much as a fully loaded Ford Expedition. MERIDA's wife, Valerie Merida, financed the \$25,000 on her father Clay Wood's credit card. Valerie Merida expensed the vehicle through her father's business.
32. Later, Valerie Merida checked the value of the vehicle and both MERIDA and Valerie Merida were amazed at the value it held, approximately \$80,000.

33. BPARSONS chartered a plane to fly from Tulsa to Durant, Oklahoma just for meetings with GIFFORD.
34. BPARSONS went to Kohler, Wisconsin for a golf trip with Flintco representatives and CNO representatives to include MERIDA. They played golf at Whistling Straights, Irish Straights and one other course MERIDA cannot remember. BPARSONS did not pay for that trip. Kohler representatives did. Pyle agreed to send BPARSONS on this trip even if it did not apply to him as a subcontractor for steel. Ed Nenon and Rolsch Cooper, also attended. Nenon was the man who installed the fixtures for Kohler at the CNO, and Cooper was Furguson's Kohler representative to the CNO. BPARSONS received a \$1,500 money clip from the pro shop, and charged it to Kohler. Kohler representatives called MERIDA about the extravagant purchase. When he returned from the trip, MERIDA received a large Eagle statue he liked, delivered from Furguson.
35. MERIDA has been to Kohler, Wisconsin previously in 2007. Max Bennett, Flintco representative, went with MERIDA. They took the CNO plane.
36. BPARSONS spent a lot of money on high end clothing. It seemed that BPARSONS spent more money than his wife LPARSONS was comfortable spending. When BPARSONS and MERIDA went golfing in Tulsa once, MERIDA got the impression that LPARSONS was mad at BPARSONS for spending too much money.
37. At one of the trail rides, BPARSONS bid on "Dinner with the Chief" and won. The bid started at \$1,000 and went for \$50,000. GIFFORD was the person that was bidding against BPARSONS. Later, in July 2010, BPARSONS, MERIDA, GIFFORD, Batton and Pyle went to lunch at Mahogany Steakhouse in Tulsa. BPARSONS came with gift bags for everyone with bourbon, hats, cups, and Drillers shirts.
38. MERIDA and his wife, ate at Mahogany Steakhouse with the PARSONSES several times. BPARSONS always paid for the meals.
39. BPARSONS provided MERIDA and his family with two mules (ATVs).
40. MERIDA and Valerie Merida went to Puerto Vallarta, Mexico with both of the PARSONSES on March 30, 2010 for Valerie's birthday. The BPARSONS paid for the trip and chartered a plane to fly them there. The MERIDA's learned a lot about BPARSONS and his motives on that trip. BPARSONS was deliberately overcharging the CNO. BPARSONS was making files on everyone who owed him favors. The MERIDAS realized how calculated BPARSONS was. BPARSONS also told detailed stories about affairs BPARSONS committed on his first wife. Valerie Merida was really bothered by BPARSONS after that trip to Mexico.

41. In October 2010, the CNO discovered an inaccuracy in the inventory of steel held by Builders Steel for the pre-purchase for future projects. LPARSONS began trying to email MERIDA the correspondence she had with the steel meal. MERIDA had nothing to compare, and totally relied on the program management at Flintco. It was said that the steel was coming from project in Las Vegas, NV. After discovery of the fraud, MERIDA called David Grieves to verify the steel. Grieves said it did not add up to the amount the CNO paid.
42. The CNO never pre-purchased steel before this. The pre-purchase was taken to the building committee, and approved. Ryan Garner called BPARSONS himself to verify. There was urgency to pre-purchase steel for a cheaper price. The steel was documented in photographs taken by Greg Pillars at Builders Steel. MERIDA does not know where the pictures are currently. MERIDA saw the pictures that were taken at Builders Steel when the steel for the pre-purchase was received at Builders Steel.
43. After fraud was detected by the CNO, MERIDA called a former Flintco employee, MARK ESCHENRODER (ESCHENRODER). MERIDA knew that ESCHENRODER would have known all about the mishandling of the CNO projects. ESCHENRODER told MERIDA that ESCHENRODER had a letter showing Plyer Steel (Plyer) got the steel contract for Durant casino first. ESCHENRODER no longer worked for Flintco, so he provided the letter to MERIDA. ESCHENRODER told MERIDA that Plyer was removed as the steel contractor, and Builders Steel was added because Daryl Harris (Harris) owed BPARSONS a job. Harris directed ESCHENRODER to "make it good" for BPARSONS. Flintco was able to cancel the offer to Plyer, because another line was added on the bid for the de-scoping paperwork.
44. In the construction business, contractors and subcontractors often allow overcharging on one job to make up for another. Harris was caught rigging bids at Flintco. He is no longer employed at Flintco.
45. A copy of the bid approval letter to Plyer is on JASON MERIDA's share drive at the CNO. MERIDA keeps all emails and documentation. He keeps electronic documentation in the construction server and a backup on an external drive. He got a new laptop two months ago, but his previous laptop is in his office, behind his desk. MERIDA keeps emails in his Outlook file. It is a very large file because it never gets deleted. Everyone in the construction world wants documentation in writing. His passwords are either: Builder8 or Builder9
46. Premier Steel was the third bidder for the steel in Durant, OK. Premier Steel is BPARSONS' former employer.
47. Those associated with the CNO construction projects spent a year together running around, planning, before construction began.
48. Ron Petty (Petty) was GIFFORD's boss. He was a great sales man. MERIDA stated, "Ron Petty could sell ice to an Eskimo." He retired in August before the

CNO realized the pre-purchase steel fraud. Ron Petty was one of the original Flintco employees. Tom Maxwell was an original employee too. Contracts at Flintco could have been written by GIFFORD, but two Flintco executives had to sign off on them.

49. The CNO procurement requirements are much better now. Descoping bids is handled more professionally.

50. Scott Rice was a furniture company that contracted with the CNO. Susan Acres provided space planning for construction sites for the CNO. JIM STEWART (STEWART) worked for Scott Rice, and later began working for Builders Steel. STEWART and Scott Rice did a lot of jobs for the CNO. Scott Rice provided a lot of design work for the CNO that was never charged to the CNO. Scott Rice provided office furniture for the back of the casinos. MERIDA received a bill from Scott Rice for \$285,000 with back up presented for invoice. MERIDA received a shotgun, and two pistols from STEWART, six or seven years ago.

51. Worth Group provided MERIDA with a trip to Missouri.

I prepared this memorandum, after refreshing my memory from notes made during and immediately after the interview with Jason Merida.

Handwritten signature of Erika Skaggs in black ink, with a stylized 'E' and 'S'.

Erika Skaggs
Special Agent