

Pastor Pleads Guilty to Money Laundering Charges After Defrauding Church and School

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A sad chapter is coming to a close for the First Emanuel Baptist Church in New Orleans, Louisiana.

The pastor, Charles Southall III, pled guilty on Tuesday, Oct. 18, to money laundering. He was charged after an investigation by the FBI of defrauding his church, the church's housing ministry, a charter school of which he was president, and individual members of the church.

A large portion of the money that was fraudulently collected by Southall came from real estate transactions on properties the church owned. An audit of Southall by the Orleans Parish School Board found that someone who was not employed by the school was receiving medical benefits. In addition, the audit revealed that credit cards belonging to the Spirit of Excellence charter school were used for expenditures of First Emanuel Baptist Church.

"In total, Southall improperly caused approximately \$537, of profit from the sale of FEBC-owned real properties located on Amelia Street, Fourth Street and Baronne Street to be diverted to Southall's personal benefit improperly and without authorization," the DOJ wrote.

Prosecutors claim that Southall's abuse of power and defrauding of organizations and individuals occurred over the course of years.

Southall's financial activities occurred while he was president of the Spirit of Excellence Academy, a charter

school in New Orleans.

Ashonta Wyatt was the principle of Edgar P. Harney Elementary School. Spirit of Excellence Academy was the charter over the elementary school. When Wyatt began looking for funds within the school's budget, she discovered misappropriated funds.

In an exclusive interview with WDSU News New Orleans, Wyatt discussed the journey that took place upon discovering that the finances were far from in order:

"I only started to look for money because my children didn't have books, my children didn't have a P.E. teacher, so I started to look at the budgets just to see if we could take from here and give to that," Wyatt says.

After discussing this situation with staff members at the school, Wyatt claims that once Southall found out she was fired. Yet Wyatt believes that because of Southall's influence and power, she was unable to find work for four years:

"He has ties to our former Mayor Mitch Landrieu, he has ties to all the ministers in the community, businesses and business owners, and it was a David and Goliath situation," Wyatt says. "Nobody wanted to hear what I had to say because no one wanted to believe he was stealing from children."

At the end of the 2018 school year, The Edgar P. Harney Spirit of Excellence Academy lost its charter. The reasons were listed as academic and financial shortcomings.

At the end of a recent Bible-study livestream, Southall addressed his guilty plea:

"It was not money laundering, at all. It was something that went against the banking laws that I pled to. Because they said it was illegal for me to move money from an account that I had to an account that I have," Southall explained. "That's what I pleaded judge accepted it, and it's called a plea deal,

simply because they had a whole lot of other stuff that went away, simply because a lot of it was untrue.”

In his plea deal with the prosecution team, Southall must make restitution payments of over \$85,000 to Spirit of Excellence Academy, and over \$110,000 to two individual tithers from his church.

Southall faces a maximum sentence of 10 years in prison, but is unlikely to receive this due to cooperation with the prosecution and his guilty plea.

Wyatt believes this is vindication for bringing these crimes to light and suffering years of hardship for it:

“I stood firm in defense of my children and I stood firm in defense of this school because I know what Edgar P. Harney means to this community, and I have no regrets,” Wyatt says. “My hope is that integrity starts to reign supreme in this community, maleficence and anything that works against the betterment of community should not be tolerated and integrity in the very definition of it is doing the right thing even when nobody is watching.” {eo}

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