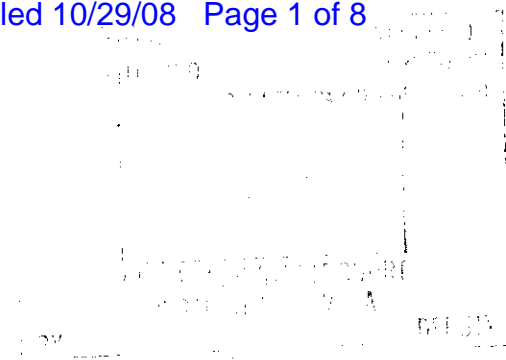


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5  
6 **UNITED STATES DISTRICT COURT**  
7 **DISTRICT OF NEVADA**

8 **-oOo-**

9 UNITED STATES OF AMERICA,

10 Plaintiff,

11 VS.

12 WILLIAM ERVIN,  
13 LADON MCCLELLAN,  
WILLIAM CAULEY,  
14 JOYCE WILTURNER, and  
TRUE WARNER,

15 Defendants.

CRIMINAL INDICTMENT

2:08-cr- 288

VIOLATIONS:

18 U.S.C. § 371 - Conspiracy to Commit  
Mail Fraud, Bank Fraud  
18 U.S.C. § 4 - Misprision of a Felony

16 **THE GRAND JURY CHARGES THAT:**

17 **INTRODUCTION**

18 1. A "straw buyer" is an individual who allows residential real estate ("property"  
19 or "properties") to be purchased in his or her name to facilitate the acquisition of that  
20 property by an unidentified party.

21 2. A "third party disbursement" is the issuance of money at the closing of a  
22 mortgage loan to a person or entity that is typically not entitled to money at the close of the  
23 transaction as are the seller, buyer, or any of the business entities that contributed to the  
24 creation or conducting of the transaction such as realtors, mortgage companies, lenders,  
25 mortgage brokers, title and escrow companies.  
26



1 for purposes of executing a scheme and artifice to defraud and for obtaining money by  
2 means of false and fraudulent pretenses, representations, and promises, in violation of Title  
3 18, United States Code, Section 1341.

4 The Objectives of the Conspiracy and Scheme to Defraud

5 8. The object of the conspiracy was to obtain money and property by using  
6 straw buyers, and by mailing and causing to be mailed materially false documents, to apply  
7 for mortgage loans from financial institutions to purchase properties in both California and  
8 Nevada. Through these transactions, **ERVIN, MCCLELLAN**, and their coconspirators  
9 obtained control over the properties and obtained money from financial institutions by  
10 causing the money from the mortgage loans to be diverted for their use and benefit.

11 Manner and Means

12 9. The manner and means by which the objectives of the conspiracy were  
13 accomplished included, but were not limited to, the following:

14 a. It was part of the conspiracy that **ERVIN, MCCLELLAN**, and their  
15 coconspirators solicited persons with good credit ratings to act as straw buyers to purchase  
16 properties.

17 b. It was further part of the conspiracy that **ERVIN, MCCLELLAN**, and  
18 their coconspirators caused straw buyers to apply for mortgage loans from financial  
19 institutions to purchase properties.

20 c. It was further part of the conspiracy that **ERVIN, MCCLELLAN**,  
21 and their coconspirators caused materially false information regarding straw buyers' places  
22 of employment, income, and assets, to be put on straw buyers' mortgage loan applications  
23 and supporting documentation to qualify straw buyers for mortgage loans for which they  
24 would not have qualified without the false information.

1           d.       It was further part of the conspiracy that **ERVIN, MCCLELLAN**, and  
2 their coconspirators created, and caused to be created, fictitious documents, which included  
3 pay stubs, verifications of rent and mortgage, for inclusion into loan packages that were  
4 submitted to financial institutions.

5           e.       It was further part of the conspiracy that **ERVIN, MCCLELLAN**, and  
6 their coconspirators coordinated amongst each other to ensure that the same straw buyers  
7 were not used to apply for loans for different transactions with the same lender, and that the  
8 same false employment was not used in loan applications for different transactions with the  
9 same lender.

10          f.       It was further part of the conspiracy that **ERVIN, MCCLELLAN**, and  
11 their coconspirators engaged in fraudulent transactions in both California and Nevada; that  
12 **ERVIN, MCCLELLAN**, and their coconspirators at times used the same straw buyers in both  
13 California and Nevada transactions; and that, as to both California and Nevada transactions,  
14 **ERVIN, MCCLELLAN**, and their coconspirators coordinated amongst themselves to ensure  
15 that the same straw buyers were not used to apply for loans for different transactions with  
16 the same lender, and that the same false employment was not used in loan applications for  
17 different transactions with the same lender.

18          g.       It was further part of the conspiracy that **ERVIN, MCCLELLAN**, and  
19 their coconspirators mailed, and caused the mailing of, loan applications and recorded grant  
20 deeds via U.S. mail and commercial interstate carrier.

21          h.       It was further part of the conspiracy that **ERVIN, MCCLELLAN**, and  
22 their coconspirators caused title and escrow companies to make third party disbursements  
23 of loan funds to entities controlled by **ERVIN, MCCLELLAN**, and their coconspirators for  
24 their own use and benefit.

25 . . .  
26 . . .

Overt Acts

10. On or about the following dates, in furtherance of the conspiracy and to effect the objects of the conspiracy, at least one member of the conspiracy committed and attempted to commit overt acts related to the purchases of properties, including submitting loan applications and supporting documentation containing false and fraudulent representations, to obtain a mortgage loan to purchase the following properties, in the name of the following straw buyers:

<u>Date</u>	<u>Property</u>	<u>Straw Buyer</u>
06/30/2006	1488 Andalusion Drive, Norco, CA.	John Harris
08/29/2006	1949 Shady Elm St., Las Vegas, NV	Steven B. Hoodye

11. The residential mortgage loan for 1949 Shady Elm St., Las Vegas, NV, was initially financed by Sierra Pacific Mortgage Company, a non-federally-insured financial institution. The residential mortgage loan for 1949 Shady Elm St., Las Vegas, NV, was subsequently sold to Countrywide Financial, which at all relevant times was a federally-insured financial institution.

12. The residential mortgage loan for 1488 Andalusion Drive, Norco, CA, was financed by First Magnus Financial Corporation, a non-federally-insured financial institution. On or about June 30, 2006, a recorded grant deed relating to 1488 Andalusian Drive, Norco, CA, was mailed, and caused to be mailed, via U.S. mail or commercial interstate courier from the Riverside County recorder's office in California, to 1488 Andalusion Drive, Norco, CA.

13. On or about August 29, 2006, a loan file relating to the fraudulent loan for 1949 Shady Elm St., Las Vegas, NV 89135, was mailed, and caused to be mailed, by U.S. mail and commercial interstate carrier from a Sierra Pacific branch office in Reno, Nevada, to a Sierra Pacific office in Folsom, California. This loan file included misrepresentations relating to the straw purchaser's assets and income.



1 18. Beginning at an unknown date, but no later than in or about November 2005,  
2 and ending in or about December 2007, in the State and Federal District of Nevada and  
3 elsewhere,

4 **TRUE WARNER,**

5 the defendant herein, having knowledge of the actual commission of a felony cognizable by  
6 a court of the United States, to wit, conspiracy to commit mail and bank fraud, in violation  
7 of Title 18, United States Code, Sections 1341 and 1344, did conceal the same by assisting  
8 the perpetrators of the fraud in falsely verifying the assets and bank account information  
9 relating to straw purchasers, and did not as soon as possible make known the same to some  
10 judge or other person in civil or military authority under the United States, all in violation of  
11 Title 18, United States Code, Section 4.

12  
13 **COUNT FOUR**  
14 **Misprision of a Felony**

15 19. Paragraphs 1 through 14 of this Indictment are re-alleged and incorporated  
16 herein as if set forth in full.

17 20. Beginning at an unknown date, but no later than in or about November 2005,  
18 and ending in or about December 2007, in the State and Federal District of Nevada and  
19 elsewhere,

20 **WILLIAM CAULEY,**

21 the defendant herein, having knowledge of the actual commission of a felony cognizable by  
22 a court of the United States, to wit, conspiracy to commit mail and bank fraud, in violation  
23 of Title 18, United States Code, Sections 1341 and 1344, did conceal the same by assisting  
24 the perpetrators of the fraud in falsely verifying the assets and bank account information  
25 relating to straw purchasers, and did not as soon as possible make known the same to some  
26

