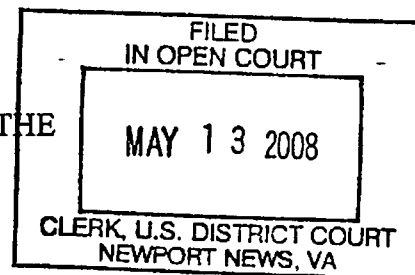


IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Newport News Division



UNITED STATES OF AMERICA)

v.)

RICHARD N. GARRIES,)
(Counts 1 - 6))

and)

TERRANCE K. BOOTHE,)
(Counts 1 - 5))

Defendants.)

FILED UNDER SEAL
CRIMINAL NO. 4:08cr 50

18 U.S.C. § 1349
Conspiracy to Commit
Mail and Wire Fraud
(Count 1)

18 U.S.C. §§ 1343 and 2
Wire Fraud
(Count 2)

18 U.S.C. §§ 1341 and 2
Mail Fraud
(Counts 3-5)

31 U.S.C. § 5324(a)(3) and (d)(2).
Structuring Financial Transactions
(Count 6)

INDICTMENT

May 2008 Term - At Newport News, Virginia

GENERAL ALLEGATIONS

At all times relevant to this indictment:

1. RICHARD N. GARRIES, the defendant herein, resided in Newport News, Virginia from in or about April 2005 through the date of this indictment. GARRIES was employed as a mortgage loan broker / loan originator for Security First Funding Corp. ("Security First"). In this capacity, GARRIES assisted clients in finding and obtaining mortgage loans. GARRIES performed these services out of his personal residence. Security First paid GARRIES a set commission for each loan he secured.

2. TERRANCE K. BOOTHE, the defendant herein, worked for GARRIES as a loan processor in GARRIES' residence in Newport News, Virginia. BOOTHE assisted GARRIES in processing loans and was paid by GARRIES through the commissions GARRIES received for closing each loan.

3. As part of the loan approval process, GARRIES required clients to provide their financial information, including employment, monthly income, assets and debts in a loan questionnaire. BOOTHE would use this information to complete a loan application for the client and send the application to mortgage loan companies in an effort to obtain financing.

4. In addition to his work for Security First, GARRIES was involved in the business of purchasing, renovating and then selling or “flipping” residential real estate. GARRIES engaged in this business through a number of companies that he either owned or operated, including Williamsburg Restaurant Equipment and Supply, Inc., (“WRES”) and WRE&S Development Corp. BOOTHE was the registered agent for WRE&S Development Corp.

5. GARRIES maintained business bank accounts for WRES at SunTrust Bank, TowneBank and Virginia Company Bank and Woodforest National Bank, business bank accounts for WRE&S Development Corp., at Woodforest National Bank and Virginia Company Bank, and personal accounts at Bank of America and Woodforest National Bank.

COUNT ONE

THE GRAND JURY CHARGES THAT:

1. The factual allegations contained in the General Allegations section are incorporated herein by reference as if set out in full.

2. Beginning on a date unknown to the Grand Jury, but believed to be in or about February 2006, and continuing until in or about March 2007, in the Eastern District of Virginia and elsewhere, RICHARD N. GARRIES (hereinafter "GARRIES") and TERRANCE K. BOOTHE (hereinafter "BOOTHE"), the defendants herein, and others known and unknown to the Grand Jury, did knowingly and willfully combine, conspire, and agree with each other and others known and unknown to the Grand Jury, to commit the following offenses against the United States:

a. To knowingly devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, for which the defendants transmitted and caused to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals and sounds, for the purpose of executing the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343; and

b. To knowingly devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, for which the defendants knowingly caused to be placed in a post office, in an authorized depository for mail matter to be sent and delivered by the Postal Service or caused to be deposited a matter or thing to be sent or delivered by private or commercial interstate carrier according to the directions thereon certain matters and things, for the purpose of executing the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1341.

WAYS, MANNER AND MEANS OF THE CONSPIRACY

The ways, manner and means by which the foregoing objectives of the conspiracy to commit wire fraud and mail fraud were to be accomplished included, but were not limited to, the following:

2. The primary purpose of the conspiracy was to make money through the resale or “flipping” of residential properties, owned by GARRIES through one of his business entities, to client-buyers and to obtain mortgage loans for the purchase of these properties by falsely inflating the client-buyer’s ability to qualify for the mortgage loan.

3. It was part of the conspiracy that GARRIES made various promises and representations to the buyers of the subject properties, including, that he had renters arranged for the properties, that the properties were in renovated and livable/rentable condition or that certain needed repairs would be made, that he owned certain properties, that buyers would not have to spend their own funds and that the buyers would be provided with cash back at closing

4. It was further a part of the conspiracy that GARRIES arranged for the potential buyers of the subject properties to use Security First to obtain loan financing.

5. It was further a part of the conspiracy that GARRIES and BOOTHE caused the inflation of buyer income, bank account balances and the ability to be able to qualify for the loan approval on loan applications that were sent by facsimile to various mortgage companies.

6. It was further a part of the conspiracy that GARRIES and BOOTHE supplied “show money” to the prospective buyers, in order for the buyers to appear to have more funds available to qualify for a mortgage loan.

7. It was further a part of the conspiracy that GARRIES instructed buyers and others to structure funds into bank accounts in order to avoid the generation of a Currency Transaction Report (CTR) by the bank.

8. It was further a part of the conspiracy that GARRIES and BOOTHE would create false documents by cutting and pasting buyer signatures from one document onto another without the buyer's permission.

9. It was further a part of the conspiracy that GARRIES obtained higher sales prices for the subject properties by obtaining inflated appraisals that were based on unverified and uncompleted renovations.

10. It was further a part of the conspiracy that GARRIES failed to complete promised work on the properties, failed to make promised payments to the buyers and otherwise failed to fulfill the representations he had made to the buyers, resulting in certain buyers being unable to make payments on their mortgage loans and foreclosure on the properties.

11. It was further a part of the conspiracy that GARRIES provided checks to buyers that were subsequently returned for insufficient funds.

12. It was further a part of the conspiracy that in order to hide the income generated by this fraudulent scheme, GARRIES did not file federal income tax returns and made false statements to others concerning his available assets and income.

13. It was further a part of the conspiracy that GARRIES and BOOTHE operated through various business entities such as WRES and WRE&S Development, Corp., in connection with the purchase and resale of the subject properties.

(In violation of Title 18, United States Code, Sections 1349, 1341 and 1343).

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. The factual allegations contained in the General Allegations section and in Count One, Paragraphs 2 - 13, are incorporated herein by reference as if set out in full.
2. On or about October 9, 2006, RICHARD N. GARRIES and TERRANCE K. BOOTHE, the defendants herein, having devised and intended to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false, fraudulent and fictitious pretenses, representations and promises, and, for the purpose of executing the aforesaid scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, in the Eastern District of Virginia and elsewhere, did knowingly and willfully transmit and cause to be transmitted by means of wire communication in interstate commerce, certain signs, signals, and sounds, to wit: the defendants caused a loan application, containing material misrepresentations as to B.D.'s ability to qualify for a mortgage loan, to be sent, via facsimile to Wilmington Finance, Inc., located outside the Commonwealth of Virginia.

(In violation of Title 18, United States Code, Sections 1343 and 2).

COUNT THREE THROUGH FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. The factual allegations contained in the General Allegations section and in Count One, paragraphs 2-13, are incorporated herein by reference as if set out in full.

2. On or about the dates set forth below, within the Eastern District of Virginia, RICHARD N. GARRIES and TERRANCE K. BOOTHE, the defendants herein, having devised and intended to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false, fraudulent and fictitious pretenses, representations and promises, and, for the purpose of executing the aforesaid scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises the defendants, did knowingly cause to be placed in a post office, in an authorized depository for mail matter to be sent and delivered by the Postal Service or caused to be deposited a matter or thing to be sent or delivered by private or commercial interstate carrier according to the directions thereon the following matters and things:

Count	Approximate Date Placed in Mail	Description of Item Mailed	From	To
3	11/8/2006	Closing Documents for Property A, Newport News, Virginia	Assurance Title and Closings, Newport News, Virginia	Wilmington Finance, Inc., Charlotte, NC
4	12/11/2006	Check #1158 to Wilmington Finance in the amount of \$1,311.47 in payment for loan on Property A	B.D., Newport News, Virginia	Wilmington Finance, Inc., Plymouth Meeting, PA
5	12/20/2006	Closing Documents for Property B, Newport News, Virginia	Dominion Title and Escrow, Newport News, Virginia	First Magnus Corp., Tuscon, Arizona

(In violation of Title 18, United States Code, Sections 1341 and 2.)

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. The factual allegations contained in the General Allegations section and in Count One, paragraphs 2-13, are incorporated herein by reference as if set out in full.
2. From on or about February 1, 2006 through on or about November 5, 2006, within the Eastern District of Virginia, RICHARD N. GARRIES, the defendant herein, did unlawfully and knowingly for the purposes of evading the reporting requirements of Section 5313(a) of Title 31, United States Code, and the regulations promulgated thereunder, structure and assist in structuring a transaction with one or more domestic financial institutions as set forth below, and did so while violation another law of the United States. To wit, throughout that time period, RICHARD N. GARRIES, made and caused to be made the following cash deposits :

DATE	AMOUNT	ACCOUNT / LOCATION
2/6/2006	\$5,000.00	SunTrust Bank #*****8761 / Denbigh
2/6/2006	\$6,000.00	SunTrust Bank #*****8761 / Oyster Point
2/6/2006	\$2,000.00	Bank of America #*****8776 / Deer Park
2/7/2006	\$4,000.00	SunTrust Bank #*****8761 / Oyster Point
2/8/2006	\$3,000.00	Bank of America #*****8776 / Deer Park
2/8/2006	\$2,000.00	SunTrust Bank #*****8761 / Executive Drive
2/8/2006	\$8,000.00	SunTrust Bank #*****8761 / Executive Drive
2/9/2006	\$9,020.00	SunTrust Bank #*****8761 / Oyster Point
2/9/2006	\$9,000.00	SunTrust Bank #*****9126 / Denbigh
2/10/2006	\$8,000.00	SunTrust Bank #*****8761 / Oyster Point
2/13/2006	\$2,000.00	Bank of America #*****8776 / Deer Park
2/13/2006	\$8,020.00	SunTrust Bank #*****8761 / Col. Crossing
2/13/2006	\$7,750.00	SunTrust Bank #*****8761 / Oyster Point
2/21/2006	\$8,030.00	SunTrust Bank #*****8761 / Williamsburg
2/22/2006	\$5,000.00	SunTrust Bank #*****8761 / Oyster Point
3/2/2006	\$8,500.00	SunTrust Bank #*****8761 / Executive Drive

3/3/2006	\$8,000.00	SunTrust Bank #*****8761 / Executive Drive
4/4/2006	\$9,000.00	Bank of America #*****8776 / Deer Park
4/4/2006	\$9,800.00	TowneBank #*****1167 / Port Warwick
4/4/2006	\$9,800.00	SunTrust Bank #*****8761 / Oyster Point
4/4/2006	\$9,800.00	SunTrust Bank #*****9126
4/5/2006	\$9,775.00	SunTrust Bank #*****9126 / Oyster Point
4/5/2006	\$9,900.00	SunTrust Bank #*****8761 / Oyster Point
4/5/2006	\$9,850.00	Bank of America #*****8776 / Deer Park
4/5/2006	\$9,880.00	TowneBank #*****1167 / Port Warwick
4/6/2006	\$2,000.00	SunTrust Bank #*****8791 / Oyster Point
4/6/2006	\$9,000.00	TowneBank #*****1167 / Port Warwick
11/6/2006	\$6,000.00	Langley Federal Credit Union #3551
11/6/2006	\$6,000.00	Langley Federal Credit Union #3551
TOTAL:	\$204,125.00	

so that he would not trigger the filing of a Currency Transaction Report by depositing more than \$10,000 on a single day.

(In violation of Title 31, United States Code, Section 5324(a)(3) and (d)(2)).

United States v. Richard N. Garries and Terrance K. Boothe
Criminal No. 4:08cr 50

A TRUE BILL:

REDACTED COPY

FOREPERSON

CHUCK ROSENBERG
UNITED STATES ATTORNEY

By:

Brian J. Samuels
Assistant United States Attorney
Virginia State Bar No. 65898
Fountain Plaza Three, Suite 300
721 Lakefront Commons
Newport News, Virginia 23606
Tel. (757) 591-4000
Fax: (757) 591-0866