

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS

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UNITED STATES OF AMERICA )  
)  
Plaintiff, )  
)  
v. )  
)  
TERRELL FORD, )  
)  
Defendant. )

COURT  
Eymkmad DEPUTY  
ATTORNEY GENERAL KS

Case No. 07-20162-01-KHV-DJW

**INFORMATION**

At all times relevant to the charges in this Information:

**COUNT ONE**

**A. THE CONSPIRACY**

1. During the period from on or about January 11, 2002, and continuing until on or about January 8, 2004, in the District of Kansas and elsewhere, the defendant,

**TERRELL FORD,**

knowingly and willfully conspired and agreed with other persons known and unknown to commit and to conceal an offense against the United States, that is: to commit the crimes of conspiracy to commit wire fraud in violation of Title 18, United States Code, Section 1343 and to commit money laundering in violation of Title 18, United States Code, Section 1956.

**B. MANNER AND MEANS OF THE CONSPIRACY**

2. It was part of the conspiracy and in furtherance of it that the defendants, using their various business entities, would submit false and fraudulent loan

applications and property appraisals to lenders to obtain money and funds and would then transfer all or part of the proceeds to bank accounts controlled by the conspirators so that the funds would be available for their own use.

3. During the course of the conspiracy, the defendants would entice borrowers, often low-income individuals or those lacking knowledge of or experience with the real estate industry, who were in need of money or were seeking to purchase a home. The conspirators convinced these individuals to apply for home loans or refinancing by promising them that a loan could be obtained for them regardless of their credit rating and financial situation. The conspirators failed to disclose to the borrowers that the loans would be obtained through the use of fraudulently inflated real estate appraisals and inflated income information. At or near the time of closing, the conspirators would impose excessive and unexpected loan origination fees and higher interest rates on the borrowers.

4. During the period of the conspiracy, certain conspirators knowingly submitted false and fraudulent property appraisal reports to various lenders. Many of the appraisal reports submitted contained inflated property values and the forged signatures of licensed appraisers whose identities had been stolen. The conspirators obtained the identity of legitimate appraisers by searching internet web sites for legitimate appraisers and appropriating their identifying information and legitimate state license numbers found on those sites. Additionally, the conspirators, using a "cut and paste" method, appropriated the names, real estate license numbers and signatures of legitimate appraisers and then transferred the signatures and identifying information to false appraisal reports which were submitted to lenders.

5. The fraudulent appraisal reports and loan applications were submitted by the conspirators to the lenders via wire transmissions or through the U.S. mails or private commercial carriers. After the fraudulent loans were closed, the loan proceeds were distributed by escrow companies to the conspirators via checks and other monetary instruments. The defendants then deposited the monetary instruments and checks into bank accounts that they owned and controlled. Thereafter, the defendants engaged in monetary transactions designed to conceal and disguise the nature, location, source and control of the proceeds of their wire fraud scheme.

### **C. OVERT ACTS**

6. It was part of the conspiracy and in furtherance of it that the defendant committed and caused to be committed the following overt acts:

7. On or about January 11, 2002, TERRELL FORD and other conspirators formed an appraisal company, called T.E.R.M. Investment Group, L.L.C., also known as Term Appraisers. Appraisals prepared by T.E.R.M. appraisers contained false and fraudulent information, and were submitted to Heritage Financial Investments by certain conspirators knowing and intending that the false appraisals would be submitted by Heritage Financial Investments, Inc., and other mortgage brokering companies owned and controlled by other conspirators, to various lending institutions to obtain real estate loans;

8. On or about September 24, 2003, the defendant, TERRELL FORD, aiding and abetting other persons, acquiesced to the preparation of an appraisal for a residence located in the 4000 block of College in Kansas City, Missouri, and allowed his electronic signature to be applied to that appraisal. As the defendant well knew, the

appraisal contained false and fraudulent information pertaining to the value of the property and which contained the forged signature of the supervisory appraiser;

9. On or about October 28, 2003, the defendant, TERRELL FORD and other conspirators opened a bank account in the name of Liberty Escrow Services, Inc., at UMB Bank in Olathe, Kansas, that account to be used for the deposit and disbursement of loan proceeds fraudulently obtained by the conspirators;

10. On or about November 26, 2003, other conspirators, aided and abetted by the defendant, received more than \$199,000 in loan proceeds which were obtained based upon a false and fraudulent real estate appraisal that was submitted for property located on East 58<sup>th</sup> Street in Kansas City, Missouri. Thereafter, on or about December 23, 2003, the defendant, aiding and abetting other conspirators caused a financial transaction to be conducted to conceal the nature and location of proceed of the wire fraud scheme associated with the property on East 58<sup>th</sup> Street, that is: on that date a co-conspirator negotiated Cashier's Check No. 4474 purchased at Town & Country Bank in Leawood, Kansas, in the amount of \$92,069.72 at the Union Bank of Kansas City, Missouri, which represented the proceeds of the wire fraud scheme.

11. The United States incorporates by this reference all of the allegations contained in Count Two, below, as additional overt acts committed in furtherance of this conspiracy

All in violation of Title 18, United States Code, Section 371.

## **COUNT TWO**

### **A. INTRODUCTION**

12. The United States incorporates by this reference each of the allegations contained in paragraphs 1 through 5, above, as though fully set forth at this point.

### **B. PURPOSE OF THE SCHEME AND ARTIFICE**

13. From on or about January 11, 2002, and continuing to on or about January 8, 2004, the defendant,

**TERRELL FORD,**

aiding and abetting other persons, devised and intended to devise a scheme and artifice to defraud Hamilton Mortgage of and concerning money and funds.

### **C. THE SCHEME AND ARTIFICE**

14. It was a part of the scheme and artifice that the defendant, aiding and abetting other persons known and unknown would prepare a false and fraudulently inflated appraisals for real property in order to obtain loans for the purchase of those properties from legitimate lending institutions. The false and fraudulent appraisals included an appraisal for property located in the 4000 of College in Kansas City, Missouri, which was prepared and signed by the defendant knowing that it contained material false information and that it would be submitted to Hamilton Mortgage to obtain a real estate purchase loan in the amount of \$85,500.

## D. THE WIRE COMMUNICATION

15. On or about October 22, 2003, in the District of Kansas and elsewhere,  
the defendant,

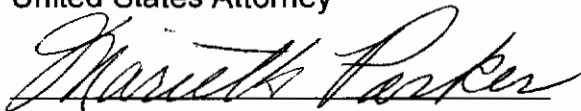
**TERRELL FORD,**

aiding and abetting other persons, for the purpose of executing, and attempting to execute the scheme and artifice, did cause to be transmitted in interstate commerce, by means of a wire communication, certain signs and signals, that is, an electronic facsimile of a Uniform Residential Loan Application pertaining to the purchase and sale by coconspirators of the property in the 4000 block of College Street in Kansas City, Missouri, that facsimile transmitted from Legacy Enterprises in the State of Kansas, to Hamilton Mortgage in the State of Missouri;

All in violation of Title 18, United States Code, Sections 1343 and 2.

Respectfully submitted,

Eric F. Melgren  
United States Attorney



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Attorneys for Plaintiff

## **Penalties**

### **Count One: 18 U.S.C. § 371** Class D Felony

- NMT 5 years incarceration;
- \$250,000 fine;
- NMT 3 years supervised release;

### **Count 2: 18 U.S.C. Sec. 1343** Class C Felony

- NMT 20 years imprisonment; (30 years if financial institution affected)
- \$250,000 fine (\$1,000,000 if financial institution affected)
- NMT 3 years supervised release (5 years if financial institution affected)
- \$100 mandatory special assessment for each count of conviction
- Order of restitution