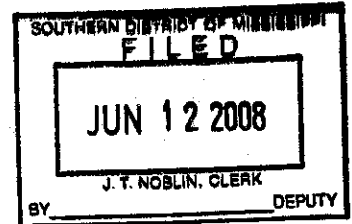


IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
JACKSON DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. *3:08-cr-86-WAB-JCS*

DAVID STRAIN

18 U.S.C. § 1956(h)

The United States Attorney Charges:

At all times relevant to this information:

1. Defendant **DAVID STRAIN** was the owner of numerous properties and was doing business as McStrain Investments, LLC, engaged in the business of selling properties to borrowers.

2. From a date prior to July, 2004, the exact date being unknown to the United States Attorney, continuing through January, 2005, in Hinds County in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant, **DAVID STRAIN** (hereinafter "**STRAIN**"), did knowingly and willfully conspire and agree with others both known and unknown to the United States Attorney to commit certain offenses under Title 18, United States Code, Section 1956, as follows: knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, to conduct and attempt to conduct such a financial transaction which involved the proceeds of specified unlawful activity, with the intent to promote the carrying on of such specified unlawful activity, in violation of Section 1956(a)(1), Title 18, United States Code.

3. It was an object of the conspiracy that **STRAIN**, and others would find borrowers to purchase homes and would solicit mortgage brokers to obtain new mortgages for these borrowers through various lenders.

4. It was further an object of the conspiracy for **STRAIN** and others to enrich themselves to the detriment of the borrowers and lenders by causing false and fictitious documents to be created to ensure that mortgage loans would be granted to borrowers, some of the proceeds of which **STRAIN** and others would convert for their own use and benefit.

5. It was a part of the conspiracy that **STRAIN** and others would cause false and fictitious documents to be prepared to insure that lenders would make mortgage loans to prospective borrowers. These documents include, but are not limited to, false employment records for borrowers and false documents verifying a borrower's income. **STRAIN** and others would also make or cause to be made false entries on loan applications consistent with the false documents submitted to the lenders to obtain the loans, including false entries showing that the borrower paid cash at the closing of the loan when no such funds were paid by the borrower. The false and fictitious documents, along with the loan application containing false information, would be included in each loan application packet submitted to potential lenders.

6. It was further a part of the conspiracy that from July 2004, through January, 2005, **STRAIN** and others successfully obtained fraudulent loans totaling over \$900,000.00 by creating false documentation and making false entries on documents submitted to the lenders to obtain the loans. **STRAIN** and his co-conspirators used interstate wires, either by means of facsimiles or by causing funds to be wire transferred to financial institutions, to accomplish the purposes of the

conspiracy.

In furtherance of the unlawful conspiracy and in order to accomplish the objectives thereof, the following acts, among others, were committed:

7. On or about July 20, 2004, **STRAIN** and others caused various financial transactions to occur from proceeds obtained as a result of the funding of a mortgage loan for approximately \$58,880.00, for a house located at 760 Sandy Lane, Pearl, MS, for the purpose of compensating STRAIN and others for their part in a mail fraud and wire fraud scheme.

8. On or about August 30, 2004, **STRAIN** and others fraudulently caused various financial transactions to occur from proceeds obtained as a result of the funding of a mortgage loan for approximately \$57,800.00, for a house located at 1704 Robinson Street, Jackson, MS, for the purpose of compensating STRAIN and others for their part in a mail fraud and wire fraud scheme.

9. On or about September 15, 2004, **STRAIN** and others fraudulently caused financial transactions to occur from proceeds obtained as a result of the funding of a mortgage loan for approximately \$58,650.00, for a house located at 3044 Woodbine Street, Jackson, MS, for the purpose of compensating STRAIN and others for their part in a mail fraud and wire fraud scheme.

10. On or about October 7, 2004, **STRAIN** and others fraudulently caused financial transactions to occur from proceeds obtained as a result of the funding of a mortgage loan for approximately \$52,700.00, for a house located at 2320 Terry Road, Jackson, MS, for the purpose of compensating STRAIN and others for their part in a mail fraud and wire fraud scheme.

11. On or about December 15, 2004, **STRAIN** and others fraudulently caused financial transactions to occur from proceeds obtained as a result of the funding of a mortgage loan for approximately \$45,000.00, for a house located at 145 Topp Court, Jackson, MS, for the purpose of compensating STRAIN and others for their part in a mail fraud and wire fraud scheme.

12. On or about January 11, 2005, **STRAIN** and others fraudulently caused financial transactions to occur from proceeds obtained as a result of the funding of a mortgage loan for approximately \$66,300.00, for a house located at 2823 Arbor Hills Drive, Jackson, MS, for the purpose of compensating STRAIN and others for their part in a mail fraud and wire fraud scheme.

All in violation of Section 1956(h), Title 18, United States Code.

NOTICE OF FORFEITURE

13. As a result of the offenses alleged in Count 1, the defendant, **DAVID STRAIN**, shall forfeit to the United States any and all property, constituting or derived from any proceeds obtained, directly or indirectly, as a result of such violations, and any and all of the property the defendant used or intended to be used, in any manner or part, to commit or to facilitate the commission of such violations, and any property involved in the aforesaid offenses, and all property traceable to such property, including but not limited to:

a. Approximately **\$100,000** in United States Currency and all interest and proceeds thereto, in that such sum in aggregate is property which was involved in the aforesaid offenses or is traceable to such property, in violation of Section 1956, Title 18, United States Code.

b. If any of the property described above as being subject to forfeiture, as a result of any act or omission of any defendant –

- (1) Cannot be located upon the exercise of due diligence;
- (2) Has been transferred or sold to or deposited with a third person;
- (3) Has been placed beyond the jurisdiction of the Court;
- (4) Has been substantially diminished in value; or
- (5) Has been commingled with other property which cannot be divided without difficulty;

then it is the intent of the United States, pursuant to Section 982(b)(1) Title 18, United States Code, to seek a judgment of forfeiture of any other property of said defendant up to the value of the forfeitable property described in this Information or any Bill of Particulars supporting it.

All pursuant to Sections 981(a)(1)(c), and 982(a)(1), Title 18, United States Code, and 2461, Title 28, United States Code.



DUNN LAMPTON
United States Attorney

CRIMINAL CASE COVER SHEET
U.S. District Court
PLACE OF OFFENSE:

3:08CL 86WHB-JAS

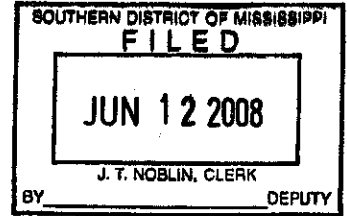
CITY: JACKSON
COUNTY: HINDS

RELATED CASE INFORMATION:

SUPERSEDING INDICTMENT _____ DOCKET # _____
SAME DEFENDANT _____ NEW DEFENDANT _____
MAGISTRATE JUDGE CASE NUMBER _____
SEARCH WARRANT CASE NUMBER _____
R 20/ R 40 FROM DISTRICT OF _____

DEFENDANT INFORMATION:

JUVENILE: _____ YES X NO
MATTER TO BE SEALED: _____ YES X NO
NAME/ALIAS: DAVID STRAIN



SEX M RACE _____ NATIONALITY: USA

U.S. ATTORNEY INFORMATION:

AUSA CARLA J. CLARK BAR # 9490

INTERPRETER: X NO _____ YES LIST LANGUAGE AND/OR DIALECT: _____

LOCATION STATUS: ARREST DATE _____

____ ALREADY IN FEDERAL CUSTODY AS OF _____
____ ALREADY IN STATE CUSTODY _____
____ ON PRETRIAL RELEASE _____

U.S.C. CITATIONS

TOTAL # OF COUNTS: 1 _____ PETTY _____ MISDEMEANOR _____ X _____ FELONY

(CLERK'S OFFICE USE ONLY) **INDEX KEY/CODE** **DESCRIPTION OF OFFENSE CHARGED** **COUNT(S)**

Set 1 18:1956-4999.F U.S.C. § 1956(h) Money Laundering Conspiracy 1
Set 2 _____
Set 3 _____
Set 4 _____

Date: 6/12/08 **SIGNATURE OF AUSA:** Carla J. Clark