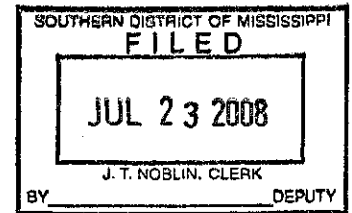


IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
JACKSON DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. *3:08cv110RDB-JCS*

GENE A. BRADFORD

18 U.S.C. § 371
18 U.S.C. § 1343
18 U.S.C. § 1956(h)
18 U.S.C. § 1956(a)(1)(A)(i)

The Grand Jury charges:

At all times relevant to this indictment:

1. During the time frames charged in this indictment, defendant **GENE A.**

BRADFORD (hereinafter "**BRADFORD**") was a mortgage broker engaged in the business of obtaining loans for borrowers with various lenders for a fee.

2. During the time frames charged in this indictment, defendant **BRADFORD** was working as a mortgage broker in Hinds County and Madison County, in the Jackson Division of the Southern District of Mississippi and elsewhere, doing business as Guardian Financial Group, LLC, (hereafter "**Guardian Financial**") also known as Guardian Mortgage.

3. During the time frames charged in this indictment, defendant **BRADFORD** formed an alter-ego business entity, Dream Homes and Properties, LLC, (hereafter "**Dream Homes**") for the purpose of conducting real estate transactions.

COUNT 1

4. Beginning in or about January, 2003, and continuing through December, 2004,

in Madison County in the Jackson Division of the Southern District of Mississippi, and elsewhere, the defendant, **GENE A. BRADFORD**, did knowingly and willfully conspire, confederate, and agree together with others known and unknown to the Grand Jury, to commit one or more of the following offenses against the United States:

- A. To knowingly devise a scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme or artifice, and attempting to do so, did place or cause to be placed in any post office or authorized depository for mail matter, documents to be sent or delivered by the Postal Service, or deposit or cause to be deposited documents to be sent or delivered by any private or commercial interstate carrier, in violation of Section 1341, Title 18, United States Code.
- B. To knowingly devise a scheme or artifice or intend to devise a scheme or artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations, or promises and, for the purpose of executing the scheme, did transmit or cause to be transmitted by means of wire or radio communications in interstate commerce, any writings, signals or sounds, in violation of Section 1343, Title 18, United States Code.

5. It was a part of the conspiracy that defendant **BRADFORD** and others would recruit persons to purchase homes as “investors” for the purpose of immediately leasing those properties.

6. To fund the acquisition of the homes, it was part of the conspiracy that defendant **BRADFORD** and others would broker mortgages for a fee by obtaining new mortgages for borrowers through various lenders.

7. It was part of the conspiracy that defendant **BRADFORD** and others would obtain basic information from the prospective borrowers and thereafter match them with

mortgage lenders by preparing the loan application and supporting documents for each borrower and submitting the completed loan application package to a lender, all for a fee. No fee was paid to defendant **BRADFORD** unless a loan was successfully obtained for the prospective borrower.

8. It was part of the conspiracy that in order to qualify the borrower for the mortgage, defendant **BRADFORD** or others acting at his direction, would enter false information onto the loan application forms in an effort to induce the lender to make the loan. The false information typically included, but was not limited to, false representations that the prospective borrower was applying for a residential mortgage loan as a primary residence, when in fact defendant **BRADFORD** knew that the borrower sought funding to acquire the residence as a rental property. On some occasions defendant **BRADFORD** falsely concealed the borrower's existing or pending financial liability for other mortgage loans to purchase other rental properties.

9. It was further a part of the conspiracy that defendant **BRADFORD** and others acting at his direction would fraudulently represent that the borrower had requisite funds available for the down payment or would fraudulently provide down payment assistance to borrowers, including through his company Dream Homes. In some instances defendant **BRADFORD** would broker mortgages for real property purchases where his company Dream Homes served as the seller of the property, disguising from prospective lenders his personal business interest in the proceeds of the sale of the real estate.

10. It was part of the conspiracy that defendant **BRADFORD** 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 on HUD-1 Settlement Statements showing that the borrower had paid earnest money or cash at the closing of the loan when no such funds were accessible to or paid by the borrower. By falsely and fraudulently making it appear that certain buyers would provide cash at closing, defendant **BRADFORD** created the appearance of qualified and secured mortgages, thus making the mortgages more marketable.

11. It was a part of the conspiracy that defendant **BRADFORD** and others would prepare false and fictitious documents to support the false information contained on the loan application and to insure that lenders would make mortgage loans to prospective borrowers. These documents included, but were not limited to, false verification of deposit (“VOD”) documents, Wage and Earnings Statements, Forms W-2, false verification of income (“VOI”) documents, false verification of employment (“VOE”) documents, false verification of rent (“VOR”) documents, false verification of credit (“VOC”) documents, false residential lease agreements, false documents verifying a borrower’s income and liabilities, and false creditor invoices.

12. It was further a part of the conspiracy that defendant **BRADFORD** and others would create fictitious creditors to which sellers allegedly were indebted. These fictitious creditors would be listed along with legitimate creditors on the HUD-1 Settlement Statement, or an attachment thereto, so that the closing attorney would issue a check out of the proceeds of the loan to the fictitious creditor. These checks were then given to defendant **BRADFORD** and others, who would convert those funds to their own use and benefit to the detriment of the lenders.

13. To accomplish the purposes of the conspiracy, the false and fictitious documents, along with the loan application containing false information, would be included in each loan application packet submitted by defendant **BRADFORD** and others to potential lenders by means of the United States mails, private and commercial carriers and interstate wires, either by means of facsimiles or by a computer emailing system or by causing funds to be wire transferred to financial institutions.

14. It was further a part of the conspiracy that from July, 2003, through August, 2004, defendant **BRADFORD** and others successfully obtained fraudulent mortgage loans totaling over \$1 million by creating false documentation and making false entries on documents submitted to the lenders to obtain the loans.

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

15. On or about January 24, 2003, defendant **BRADFORD** obtained from the Mississippi Department of Banking and Consumer Finance a license in the name of Guardian Financial Group, LLC, for the purpose of engaging in the business of brokering mortgage loans.

16. On or about June 16, 2003, defendant **BRADFORD** caused a false "VOE" document and a false "VOI" document to be transmitted to a lender, falsely verifying employment and income in the name of Borrower #1 for the purpose of obtaining a mortgage loan of approximately \$55,250.00 for Borrower #1. From the fraudulently obtained loan proceeds, Guardian Financial and Dream Homes collectively received approximately \$17,500.00.

17. On or about September 19, 2003, defendant **BRADFORD** caused a false official check to be transmitted to a lender, falsely representing cash paid by Borrower #1, for the purpose of obtaining a mortgage loan of approximately \$64,600.00 for Borrower #1. From the fraudulently obtained loan proceeds, Guardian Financial and Dream Homes collectively received approximately \$29,500.00.

18. On or about June 23, 2004, defendant **BRADFORD** caused a false and fictitious Form W-2 demonstrating inflated income for Borrower #2, to be transmitted to a lender for the purpose of obtaining a mortgage loan of approximately \$68,000.00 for Borrower #2. From the fraudulently obtained loan proceeds, Guardian Financial and Dream Homes collectively received approximately \$17,000.00.

19. On or about September 1, 2004, defendant **BRADFORD** and a co-conspirator caused an official check purporting to be remitted by Borrower #2 to be transmitted to a lender, falsely representing that Borrower #2 had produced said funds for the purpose of obtaining a mortgage loan of approximately \$39,200.00 for Borrower #2. From the fraudulently obtained loan proceeds, Guardian Financial received approximately \$2,400.00.

20. On or about October 28, 2004, defendant **BRADFORD** caused a false "VOI" document to be transmitted to a lender, falsely verifying income in the name of Borrower #2 for the purpose of obtaining a mortgage loan of approximately \$135,000.00 for Borrower #2. From the fraudulently obtained loan proceeds, Guardian Financial received approximately \$5,975.00.

21. On or about December 23, 2003, defendant **BRADFORD** caused a false loan application in the name of Borrower #3 to be transmitted to a lender, falsely representing the

use of the purchased property as a primary residence for the purpose of obtaining a mortgage loan of approximately \$76,000.00 for Borrower #3. From the fraudulently obtained loan proceeds, Guardian Financial and Dream Homes collectively received approximately \$38,200.00.

22. On or about December 29, 2003, defendant **BRADFORD** caused a fraudulent HUD-1 Settlement Statement and an official check to be transmitted to a lender for Borrower #3, falsely representing earnest money to have been paid by Borrower #3 for the purpose of obtaining a mortgage loan of approximately \$76,000.00.

23. On or about August 06, 2004, defendant **BRADFORD** caused a document fraudulently representing an intention of Borrower #3 to occupy the purchased property as a primary residence to be submitted to a lender for the purpose of obtaining a mortgage loan of approximately \$58,650.00 for Borrower #3. From the fraudulently obtained loan proceeds, Guardian Financial and Dream Homes collectively received approximately \$5,932.50.

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

COUNTS 2 - 7

24. The allegations contained in paragraphs 1-3, and 5-23 of this indictment are hereby re-alleged and incorporated herein as if fully set forth in this paragraph as constituting and describing the scheme and artifice to defraud charged in Counts 2 through 7.

25. Beginning on or about June, 2003, and continuing through December, 2004, in Madison County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant, **GENE A. BRADFORD**, aided and abetted by others known and unknown to the Grand Jury, knowingly and intentionally devised, intended to devise and

carried out and attempted to carry out a scheme to defraud mortgage loan borrowers and lenders and to obtain money by materially false and fraudulent pretenses, representations and promises.

26. It was a part of the scheme that from in or about June 2003, through in or about December, 2004, defendant **BRADFORD** and others successfully obtained approximately 21 mortgage loans totaling over \$1 million by creating false documentation and making false entries on documents submitted to the lenders to obtain the loans. Defendant **BRADFORD** used interstate wires, either by means of facsimiles or by a computer emailing system or by causing funds to be wire transferred to financial institutions, to accomplish the purposes of the scheme.

27. For the purpose of executing the scheme and in furtherance of the scheme, defendant **BRADFORD**, aided and abetted by others known and unknown to the grand jury, did cause to be transmitted by means of wire or radio communications in interstate commerce, certain writings, signals or sounds. These transmissions in interstate commerce consisted of various false information and fraudulent documents wired from the office of Guardian Financial Group, LLC, located in the Jackson Division of the Southern District of Mississippi to lenders located outside of Mississippi to obtain mortgage loans for borrowers on or about the dates set forth below:

| <u>COUNT</u> | <u>DATE</u> | <u>DESCRIPTION</u> |
|--------------|-------------|---|
| 2 | 9/19/2003 | official check falsely representing cash paid by Borrower #1 for the purpose of obtaining mortgage loan of approximately \$64,600.00 for Borrower #1. |
| 3 | 12/23/2003 | loan application falsely representing the intent of |

Borrower #3 to occupy the property as a primary residence for the purpose of obtaining a mortgage loan of approximately \$76,000.00 for Borrower #3.

4. 12/29/2003 official check purporting to represent earnest money paid by Borrower #3 for the purpose of obtaining a mortgage loan of approximately \$76,000.00 for Borrower #3.
5. 08/23/2004 document fraudulently representing an intention of Borrower #3 to occupy the purchased property as a primary residence for the purpose of obtaining a mortgage loan of approximately \$58,650.00 for Borrower #3.
6. 9/01/2004 official check purporting to be remitted by Borrower #2 falsely representing that Borrower #2 had produced said funds for the purpose of obtaining a mortgage loan of approximately \$39,200.00 for Borrower #2.
7. 10/28/2004 document falsely verifying income in the name of Borrower #2 for the purpose of obtaining a mortgage loan of approximately \$135,000.00 for Borrower #2.

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

COUNT 8

28. The allegations contained in paragraphs 1-3, 5-23 and 26-27 of this indictment are hereby realleged and incorporated herein as if fully set forth in this paragraph.

29. Beginning in or about June, 2003, and continuing through December, 2004, in Madison County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant, **GENE A. BRADFORD**, and others known and unknown to the Grand Jury did knowingly conspire with each other and others to commit the following offenses against the United States:

to conduct and attempt to conduct financial transactions affecting interstate

commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud, with the intent to promote the carrying on of such specified unlawful activity, in violation of Section 1956(a)(1)(A)(i), Title 18, United States Code;

30. It was the object of the conspiracy for the co-conspirators to use lenders' and borrowers' money, which was derived from wire fraud, to conduct various financial transactions which would enrich themselves to the detriment of the lenders and borrowers by converting some of the proceeds of mortgage loans to their own use and benefit.

31. It was a part of the conspiracy that an unindicted co-conspirator and others would disburse funds to defendant **BRADFORD** through Guardian Financial, representing mortgage broker fees for each of the fraudulently obtained loans to induce defendant **BRADFORD** and others to continue their participation in the conspiracy.

32. It was further a part of the conspiracy that an unindicted co-conspirator and others would disburse funds to defendant **BRADFORD** through his company Dream Homes, representing a portion of the borrower's mortgage loan proceeds fraudulently obtained for property purchases from Dream Homes, to induce defendant **BRADFORD** and others to continue their participation in the conspiracy.

33. It was further a part of the conspiracy that an unindicted co-conspirator would disburse funds from the proceeds of some of the fraudulently obtained loans to defendant **BRADFORD** and others through Dream Homes as a fictitious creditor to induce them to continue their participation in the conspiracy.

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

34. On or about July 16, 2003, defendant **BRADFORD** deposited funds disbursed to Guardian Financial, for approximately \$2,260.00 out of the proceeds of a mortgage loan to Borrower #1.

35. On or about July 16, 2003, defendant **BRADFORD** deposited funds disbursed to Dream Homes, for approximately \$15,255.79 out of the proceeds of a mortgage loan to Borrower #1.

36. On or about September 17, 2003, defendant **BRADFORD** deposited funds disbursed to Dream Homes, for approximately \$26,948.98 out of the proceeds of a mortgage loan to Borrower #1.

37. On or about September 22, 2003, defendant **BRADFORD** deposited funds disbursed to Guardian Financial, for approximately \$2,584.00 out of the proceeds of a mortgage loan to Borrower #1.

38. On or about July 1, 2004, defendant **BRADFORD** deposited funds disbursed to Guardian Financial, for approximately \$3,925.00 out of the proceeds of a mortgage loan to Borrower #2.

39. On or about July 1, 2004, defendant **BRADFORD** deposited funds disbursed to Dream Homes, for approximately \$13,091.76 out of the proceeds of a mortgage loan to Borrower #2.

40. On or about September 1, 2004, defendant **BRADFORD** deposited funds disbursed to Guardian Financial, for approximately \$2,443.00 out of the proceeds of a mortgage loan to Borrower #2.

41. On or about November 1, 2004, defendant **BRADFORD** deposited funds

disbursed to Guardian Financial, for approximately \$5,975.00 out of the proceeds of a mortgage loan to Borrower #2.

42. On or about December 23, 2003, defendant **BRADFORD** deposited funds disbursed to Guardian Financial for approximately \$1,845.00 out of the proceeds of a mortgage loan to Borrower #3.

43. On or about December 23, 2003, defendant **BRADFORD** deposited funds disbursed to Dream Homes, for approximately \$36,401.74 out of the proceeds of a mortgage loan to Borrower #3.

44. On or about August 27, 2004, defendant **BRADFORD** deposited funds disbursed to Guardian Financial, for approximately \$2,932.50 out of the proceeds of a mortgage loan to Borrower #3.

45. On or about August 27, 2004, defendant **BRADFORD** deposited funds disbursed to Dream Homes, for approximately \$3,000.00 out of the proceeds of a mortgage loan to Borrower #3.

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

COUNTS 9-11

46. The allegations contained in paragraphs 1-3, 5-23, 26-27, and 30-45 of this indictment are hereby realleged and incorporated herein as constituting and describing the scheme and artifice to defraud from which the proceeds to participate in these money laundering transactions were derived.

47. On or about the dates set forth below, in Madison County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant, **GENE A.**

BRADFORD, together with others known and unknown to the Grand Jury, did knowingly conduct and attempt to conduct the following financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud, with the intent to promote the carrying on of such specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions, that is funds, represented the proceeds of some form of unlawful activity :

| <u>COUNT</u> | <u>DATE</u> | <u>BORROWER #</u> | <u>APPROX. AMOUNT</u> |
|--------------|-------------|-------------------|-----------------------|
| 9 | 9/17/2003 | 1 | \$26,948.98 |
| 10 | 7/01/2004 | 2 | \$13,091.76 |
| 11 | 12/23/2003 | 3 | \$36,401.74 |

All in violation of Sections 1956 (a)(1)(A)(i) and 2, Title 18, United States Code.

NOTICE OF FORFEITURE

48. As a result of the offenses alleged in Counts 1 through 11, the defendant, **GENE A. BRADFORD** shall forfeit to the United States all property, real and personal, involved in the aforesaid offenses and all property traceable to such property, and any and all property constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of such violations, including but not limited to:

a. Approximately **\$1 million** 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..

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 853(p), Title 21, United States Code, to seek a judgment of forfeiture of any other property of the defendant up to the value of the property described in this indictment 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 Section 2461, Title 28, United States Code.



DUNN LAMPTON
United States Attorney

A TRUE BILL:

s/ Signature Redacted

Foreperson of the Grand Jury

CRIMINAL CASE COVER SHEET

U.S. District Court
PLACE OF OFFENSE:

3:0800110 KLB JAS

CITY: JACKSON

COUNTY: MADISON

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 _____

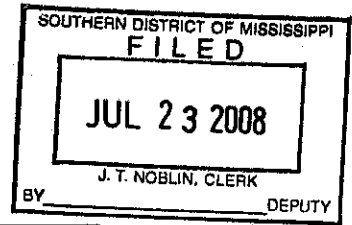
DEFENDANT INFORMATION:

JUVENILE: YES NO

MATTER TO BE SEALED: YES _____ NO

NAME/ALIAS: GENE A. BRADFORD

SEX M RACE _____ NATIONALITY: USA



U.S. ATTORNEY INFORMATION:

AUSA CARLA J. CLARK BAR # 9490

INTERPRETER: NO _____ YES LIST LANGUAGE AND/OR DIALECT: N/A

LOCATION STATUS: ARREST DATE _____

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

U.S.C. CITATIONS

TOTAL # OF COUNTS: 11 PETTY _____ MISDEMEANOR _____ FELONY

| (CLERK'S OFFICE USE ONLY) | INDEX KEY/CODE | DESCRIPTION OF OFFENSE CHARGED | COUNT(S) |
|---------------------------|----------------------------|---|----------|
| Set 1 18:371.F | 18 U.S.C. 371 | Conspiracy to Commit Bank Fraud | 1 |
| Set 2 18:1343.F | 18 U.S.C. 1343 | Fraud by Wire, Radio or Television | 2-7 |
| Set 3 18:1956-7477.F | 18 U.S.C. 1956(h) | Money Laundering - of Monetary Instruments | 8 |
| Set 4 18:1956-7477.F | 18 U.S.C. 1956(a)(1)(A)(i) | Money Laundering - of Monetary Instruments | 9-11 |

Date: 7/22/2008 SIGNATURE OF AUSA: *Carla J. Clark*