

FILED

U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

JUN 13 2013

DAVID J. MALAND, CLERK

BY _____
DEPUTY

UNITED STATES OF AMERICA §
§
v. §
LACIE DEVINE §

NO. 4:13CR154
Judge *Crow*

INDICTMENT

THE GRAND JURY CHARGES:

Count One

Violation: 18 U.S.C. § 1349
(Conspiracy to Commit Mail Fraud in
Violation of 18 U.S.C. § 1341)

A. Introduction

At all times material to this Indictment:

1. Defendant, **Lacie Devine**, (“**Devine**”), worked as an escrow officer at National Escrow & Title, LLC.
2. National Escrow & Title, LLC was a business located at 17440 North Dallas Parkway, Dallas, Texas, in Collin County, in the Eastern District of Texas. National Escrow & Title, LLC assisted sellers and buyers in closing property transactions by acting as a custodian of all funds involved. Title company employees, including escrow officers and escrow officer assistants, facilitated loan closings by, among other things, preparing a HUD-1 Settlement Statement (“HUD-1”), ordering

loan fund disbursements, ordering home warranties, and generally coordinating with realtors, mortgage lenders, and loan officers regarding information necessary to close the loans. Title company employees would be paid a fee for their services for every home loan closing facilitated.

3. A HUD-1 was a document prepared by a title company employee, such as **Devine**, and executed by a buyer and seller of real estate at a loan closing that reflected all sums received from and disbursed to the borrower, seller, and the lending institution. The HUD-1 was a document that lending institutions relied on to determine whether the funds they had loaned had been properly disbursed.

4. Roslyn Long (“Long”), was a loan officer for Global Choice Mortgage and for Minnesota Lending Company, LLC.

5. Michael Ross (“Ross”) owned, operated, and controlled The Jordan Group. Ross was also a loan officer for Global Choice Mortgage and for Minnesota Lending Company, LLC.

6. Loan officers helped mortgage loan applicants obtain home mortgage loans by gathering financial information from applicants and completing mortgage application forms for the applicants. Loan officers submitted completed application forms to lending institutions for approval to obtain a mortgage loans for the applicants. The lending institutions paid the loan officers for their services when the mortgage loans were funded.

7. Ronzell Mitchell (“Mitchell”), an individual known to the Grand Jury, owned, operated and controlled S & R Consultants.
8. CC, an individual known to the Grand Jury, owned, operated and controlled All Around Relocation.
9. The “1308 Hubert Property” was a residence located at 1308 Hubert Street, Dallas, Texas.
10. HV, an individual known to the Grand Jury, was the buyer of the 1308 Hubert Property.
11. Dallas Unlimited RE Solutions, Inc. was the seller of the 1308 Hubert Property.
12. The “329 Colorado Property” was a residence located at 329 East Colorado #806, in Dallas, Texas.
13. CB, an individual known to the Grand Jury, was the buyer of the 329 Colorado Property.
14. Top Dog Oak Cliff, LP was the seller of the 329 Colorado Property.
15. The “1611 Tribeca Way Property” was a residence located at 1611 Tribeca Way in Dallas, Texas.
16. CW, an individual known to the Grand Jury, was the buyer of the 1611 Tribeca Way Property.
17. San Jacinto Urban Lofts was the seller of the 1611 Tribeca Way Property.

18. AMCAP Mortgage, LTD (“AMCAP”), Minnesota Lending Company, LLC, AmericaHomeKey, Inc., Countrywide Home Loan, were lending institutions that made mortgage loans.

19. The following facts were material to lending institutions, when determining whether to make a real estate purchase mortgage loan and how much money to lend:

- a. that any and all fees or payments that would be made out of the loan proceeds be fully disclosed to the lending institution;
- b. whether the loan applicant was going to occupy the mortgaged home as his/her primary residence;
- c. how much monthly employment income the loan applicant received;
- d. how much money the loan applicant had in bank accounts;
- e. whether the borrower had actually provided the down payment funds as indicated on the HUD-1;
- f. whether the gift letters submitted to the lender were true and accurate; and
- g. whether the loan proceeds were being distributed to parties other than the seller that were not reflected on the settlement statement.

20. AT and NH were individuals known to the Grand Jury.

B. The Conspiracy

21. From in or about March 2008, through on or about February 28, 2010, in the Eastern District of Texas and elsewhere, **Devine** knowingly and willfully combined, conspired and agreed with Long, Ross, Mitchell, CC, and other persons known and

unknown to the Grand Jury to devise a scheme and artifice to defraud lending institutions by making materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the scheme and artifice caused matter to be sent and delivered by the United States Postal Service and by private and commercial interstate carriers, a violation of 18 U.S.C. § 1341.

C. Manner and Means of the Conspiracy

22. It was part of the manner and means of the conspiracy that **Devine** and other persons known and unknown to the Grand Jury, in the Eastern District of Texas and elsewhere, arranged for the following type of fraudulent transactions to occur:

- a. With the assistance of CC and Mitchell, loan officers, including Long and Ross, falsified material information on loan applications including but not limited to the buyers' employment, income, assets, and occupancy information.
- b. AT provided money on behalf of the buyers, including HV and CB, for the down payment, when **Devine** knew the HUD-1 reflected that the buyers had provided those funds.
- c. **Devine** created two HUD-1s for the transactions, including one fraudulent HUD-1 that concealed the true disbursements of the loan proceeds.
- d. The conspirators submitted the fraudulent loan applications and HUD-1s by United States Postal Service and by private and commercial interstate carriers to lending institutions, including AMCAP, Minnesota Lending, LLC, AmericaHomeKey, Inc., and Countrywide Home Loans, with the knowledge that the lending institutions would and did materially rely upon the fraudulent representations in funding the mortgage loans.

- e. **Devine** then distributed the loan funds at the closings to persons not identified on the HUD-1s that were submitted to the lending institutions.

23. On or about the following dates with respect to the following properties, as representative of the manner and means of the conspiracy, the following co-conspirators took the following actions.

24. **1611 Tribeca Way Property**

- a. On or about May 8, 2008, Mitchell recruited CW to purchase the 1611 Tribeca Way Property from San Jacinto Urban Lofts for the purported price of \$370,000.
- b. On or about May 8, 2008, CW and NH, representing San Jacinto Urban Lofts, executed a sales contract for the 1308 Hubert Property for the purported price of \$370,000.
- c. On or about May 8, 2008, Long, Ross, and Mitchell caused a fraudulent loan application that included false residence, employment, income, occupancy, and asset information to be submitted to AmericanHomeKey, Inc., on behalf of CW, requesting loans totaling \$358,900 to purchase the 1611 Tribeca Way Property.
- d. On or about May 20, 2008, **Devine**, Long, Ross, Mitchell, and others caused Countrywide Home Loans to fund the mortgage loan to CW by transferring \$364,202.37 by wire to National Escrow & Title, LLC, in the Eastern District of Texas.

e. On or about May 21, 2008, **Devine** caused an accurate HUD-1 that reflected third party payouts, and other fraudulent transaction documents to be sent by Federal Express, a commercial interstate carrier, from National Escrow & Title, LLC, Dallas, Texas, in the Eastern District of Texas, to AmericanHomeKey, Inc., at 3838 Oak Lawn Avenue, Suite 1050, in Dallas, Texas.

f. On or about May 21, 2008, **Devine** at National Escrow & Title, LLC, in the Eastern District of Texas, transferred \$70,300 by wire from the seller's proceeds to S & R Consultants as a kickback for recruiting the buyer.

g. On or about June 9, 2008, AmericanHomeKey, Inc. became aware that the HUD-1 Devine submitted reflected third party payouts and contacted **Devine**.

h. On or about June 10, 2008, **Devine** caused a fraudulent HUD-1 that concealed the third party payouts along with a letter that fraudulently explained why the previous HUD-1 was submitted to AmericanHomeKey, Inc.

25. **1308 Hubert Property**

a. On or about January 15, 2008, Mitchell recruited HV to purchase the 1308 Hubert Property from Dallas Unlimited Real Estate Solutions, Inc. for the purported price of \$372,000.

b. On or about January 15, 2008, Long, Ross and Mitchell caused a fraudulent loan application that included false employment, income, occupancy, and asset

information to be submitted to AMCAP, on behalf of HV, requesting loans totaling \$372,000 to purchase the 1308 Hubert Property.

c. On or about February 12, 2008, HV and Dallas Unlimited Real Estate Solutions, Inc. executed a sales contract for the 1308 Hubert Property for the purported price of \$372,000.

d. On or about March 17, 2008, **Devine** caused a fraudulent HUD-1 and other transaction documents to be sent by Federal Express, a commercial interstate carrier, from National Escrow & Title, LLC, Dallas, Texas, in the Eastern District of Texas, to AMCAP at 2539 South Gessner Road, Suite 20, in Houston, Texas.

e. On or about March 17, 2008, **Devine**, Long, Ross, AT, Mitchell and others caused AMCAP to fund the mortgage loan to HV by transferring \$375,268.64 by wire to National Escrow & Title, LLC, in the Eastern District of Texas.

f. On or about March 17, 2008, **Devine** at National Escrow & Title, LLC, in the Eastern District of Texas, transferred \$9,149.73 by wire from the seller's proceeds to The Jordan Group as a kickback for processing the loan application.

g. On or about March 17, 2008, **Devine** at National Escrow & Title, LLC, transferred \$64,840 by wire from the seller's proceeds to S and R Consultants as a kickback for recruiting the buyer.

26. **329 Colorado Property**

- a. On or about September 14, 2009, CC recruited CB to purchase the 329 Colorado Property from Top Dog Oak Cliff, LP for the purported price of \$199,900.
- b. On or about September 14, 2009, CB and Top Dog Oak Cliff, LP executed a sales contract for the 329 Colorado Property for the purported price of \$199,900.
- c. On or about September 17, 2009, Long, Ross and CC caused a fraudulent loan application that included false employment, income, occupancy, and asset information to be submitted to Minnesota Lending Company, LLC, on behalf of CB, requesting loans totaling \$196,278 to purchase the 329 Colorado Property.
- d. On or about September 30, 2009, AT transferred \$13,996.86 by wire to **Devine** at National Escrow & Title, LLC, for CB's down payment for the purchase of the 329 Colorado Property.
- e. On or about September 30, 2009, **Devine** caused a fraudulent HUD-1 form and other transaction documents to be sent by Federal Express, a commercial interstate carrier, from National Escrow & Title, LLC, Dallas, Texas, in the Eastern District of Texas, to Minnesota Lending Company, LLC, at 6465 Wayzata Boulevard, Suite 300, in St. Louis Park, Minnesota.

f. On or about September 30, 2009, **Devine**, Long, Ross, CC, AT, and others caused Minnesota Lending, LLC to fund the mortgage loan to HV by transferring \$196,278 by wire to National Escrow & Title, LLC, in the Eastern District of Texas.

g. On or about October 1, 2009, **Devine** at National Escrow & Title, LLC, in the Eastern District of Texas, transferred \$38,857.14 by wire from the seller's proceeds to All Around Relocation as a kickback for recruiting the buyer.

h. On or about October 1, 2009, **Devine** at National Escrow & Title, LLC, in the Eastern District of Texas, transferred \$15,115.86 by wire from the seller's proceeds to AT.

In violation of 18 U.S.C. § 1349.

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

Pursuant to 18 U.S.C. § 982(a)(1) and 28 U.S.C. § 2461

As the result of committing one or more of the offenses alleged in this

Information, the defendant shall forfeit to the United States:

1. any property constituting, or derived from, and proceeds the defendant obtained, directly or indirectly, as the result of such violation; and
2. any of the defendant's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation.

Substitute Assets

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants -


- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with a third person;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property, including but not limited to all property, both real and personal owned by the defendant.

By virtue of the commission of the offenses alleged in this Information, any and all interest the defendant has in the above-described property is vested in and forfeited to the United States.

Respectfully Submitted,

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SW 6-12-13
Foreperson

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

UNITED STATES OF AMERICA §
 §
v. § NO. 4:13CR
 § Judge
LACIE DEVINE §

NOTICE OF PENALTY

Count One

Violation: 18 U.S.C. § 1349
(Conspiracy to Commit Mail Fraud in violation of 18 U.S.C. § 1341)

Penalty: Not more than twenty years imprisonment, a fine not to exceed
\$250,000, or not more than the greater of twice the gross gain to the
defendant or twice the gross loss to one other than the defendant, or
both; supervised release of not more than three years.

Special
Assessment: \$100.00