

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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PETER OPPENEER  
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WD OF WI

INDICTMENT

UNITED STATES OF AMERICA

Case No. 13-cr-131-WMC  
18 U.S.C. § 371  
18 U.S.C. § 1014

v.

DAVID E. ROBERT,

Defendant.

THE GRAND JURY CHARGES:

COUNT 1

1. From on or about March 16, 2006, to on or about April 21, 2006, in the Western District of Wisconsin, and elsewhere, the defendant,  
  
DAVID E. ROBERT,  
  
knowingly conspired with P. Edwin Gray, Becky L. Ring, formerly known as, Becky L. Stoltenberg, named as co-conspirators, but not defendants herein, and other persons known and unknown to the grand jury, to knowingly make false statements for the purpose of influencing the action of Washington Mutual Bank (WAMU), an institution the deposits of which were then insured by the Federal Deposit Insurance Corporation, in connection with residential loan applications, Forms 1003, in violation of Title 18, United States Code, Section 1014.

2. At all times material to this conspiracy:

a. Becky Ring, formally known as, Becky Stoltenberg, (Stoltenberg) was the President, CEO, and owner of J C Mortgage Corporation (J C Mortgage). Stoltenberg was licensed as a loan originator by the State of Wisconsin on May 19, 2000.

b. P. Edwin Gray (Gray) was a small business bookkeeper operating in the Madison, Wisconsin area who held himself out as a Certified Public Accountant though his license was no longer in effect during time material to this conspiracy.

c. J C Mortgage was engaged in the business of brokering commercial and residential loans. J C Mortgage's employees included loan officers who brokered loans for potential borrowers, loan processors who assembled the loan documents and files for closings, and telemarketers who solicited potential borrowers for commercial loans, home purchase loans, and refinance loans. Its offices were located in Madison, Wisconsin.

d. Washington Mutual Bank (WAMU) was an institution the deposits of which were insured by the Federal Deposit Insurance Corporation. WAMU was in the business of funding residential mortgage loans secured by real estate. The funding of these loans was dependent and conditioned upon borrowers, through their representatives, providing true and accurate information, which met the underwriting standards of the WAMU. WAMU, through its subsidiary, Long Beach Mortgage Company, funded subprime mortgages. Subprime mortgages were loans to individuals who had unfavorable credit histories, high debt-to-income ratios, or other issues that make it difficult for the borrower to obtain mortgages through traditional channels.

e. Long Beach Mortgage Company (Long Beach) was a subsidiary of WAMU, and was in the business of originating, purchasing, and selling subprime residential mortgages and home equity loans. Long Beach worked through a nationwide network of independent loan brokers who presented potential borrowers to Long Beach. Long Beach then sold its loans into the secondary market but retained the rights to service the loan.

f. The types of mortgages Long Beach processed for WAMU, included "full document loans" or "full doc loans." These loans required the borrower to truthfully state their income and assets. In addition, the borrower was required to provide documentation -- like tax returns and bank statements -- to support their claimed income and assets. Borrowers qualified for the loans based upon their credit score, downpayment amount, and debt-to-income ratio.

g. DAVID E. ROBERT purchased a single family residence located at 5579 Kupfer Road, Westport, Wisconsin (Kupfer Road property), on April 12, 2006, for \$1,186,100. In order to purchase the home, ROBERT obtained a first mortgage for \$948,880 and a second mortgage for \$237,220, both from WAMU through Long Beach.

h. On April 29, 2008, the Kupfer Road property was foreclosed by Deutshce Bank for approximately \$850,000 resulting in a loss amount of approximately \$336,100.

3. The manner and means by which the conspiracy was to be accomplished included, among other things, the following:

a. It was a part of the conspiracy that Stoltenberg, acting as a mortgage broker, submitted false and fraudulent loan documentation to lenders for borrowers, including ROBERT, to obtain financing for the purchase of residences or refinancing of residential loans.

b. It was a further part of the conspiracy that Gray, holding himself out as a Certified Public Accountant, provided false income and tax documentation regarding borrowers, including ROBERT, to Stoltenberg at J C Mortgage, in order to facilitate the loan documentation to obtain financing for the purchase of residences or refinancing of residences.

4. In furtherance of the conspiracy and to effect the objects of the conspiracy, the following overt acts, among others, were committed in the Western District of Wisconsin:

a. On or about April 7, 2006, Gray sent a fax to Stoltenberg at J C Mortgage containing a fraudulent 2005 W-2 for ROBERT which contained false yearly income for ROBERT to document income for a loan to purchase the Kupfer Road property.

b. On or about April 9, 2006, Gray sent a fax to Stoltenberg at J C Mortgage containing fraudulent Tax Forms 1120 (Corporate Tax Return), for a business owned by ROBERT, which contained false yearly income for the business to document income for a loan to purchase the Kupfer Road property.


c. On or about April 12, 2006, ROBERT signed a Uniform Residential Loan Application, Form 1003, in support of a \$948,880 loan and a second loan of \$237,220, certifying that the information contained on the form was true and correct.

e. On or about April 12, 2006, Stoltenberg submitted, or caused to be submitted, to Long Beach on ROBERT's behalf a false Uniform Residential Loan Application, Form 1003, which contained false and inflated gross income amounts.

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

A TRUE BILL

  
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PRESIDING JUROR

  
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JOHN W. VAUDREUIL  
United States Attorney

Indictment returned: 10-10-13