

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA



UNITED STATES OF AMERICA :

v. :

MICHAEL ALLAN JOHNSON, JR. :
JENNIFER WILLARD TURNMIRE, :
also known as Jennifer Willard :

1:17CR 21 -1
1:17CR 21 -2

The Grand Jury charges:

COUNT ONE

1. At all times herein material:
 - a. MICHAEL ALLAN JOHNSON, JR., was an attorney in Lexington, North Carolina.
 - b. JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, was a mortgage loan broker in Thomasville, North Carolina.
 - c. White Meadows, LLC, was based in Lexington, North Carolina, with MICHAEL ALLAN JOHNSON, JR., serving as Manager/Member.
 - d. Artisan Construction of Concord, Inc., was based in Lexington, North Carolina, with MICHAEL ALLAN JOHNSON, JR., serving as President.
 - e. Luis Francisco Moreno was a licensed real estate broker and a real estate developer residing in Greer, South Carolina.

f. Wells Fargo Bank, N.A., and Carolina Bank were federally insured financial institutions, as defined by Title 18, United States Code, Section 20.

g. Guaranteed Home Mortgage Company, Inc., was a mortgage company which worked with borrowers and mortgage brokers to generate initial loan applications before referring higher dollar amount loan requests to larger lenders with more assets, such as Wells Fargo Bank, N.A.

h. Person A, now deceased, who was a co-conspirator, was an attorney residing in Lexington, North Carolina, in the Middle District of North Carolina.

2. From on or about August 1, 2006, continuing up to and including on or about December 31, 2010, the exact dates to the Grand Jurors unknown, in the Counties of Davidson, Guilford, and Randolph, in the Middle District of North Carolina, MICHAEL ALLAN JOHNSON, JR., JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, and Luis Francisco Moreno did unlawfully, willfully, and knowingly conspire, combine, and confederate with divers others, both known and unknown, to knowingly and willfully execute and attempt to execute a scheme and artifice to obtain moneys, funds, credits, and other property owned by and under the custody and control of financial institutions, that is, Wells Fargo Bank, N.A., and Carolina Bank, by means of

material false and fraudulent pretenses, representations, and promises; in violation of Title 18, United States Code, Section 1344.

METHOD AND MEANS

3. It was part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, Person A, and divers others persons, both known and unknown to the Grand Jurors, recruited Luis Francisco Moreno, who was experiencing financial difficulties in his business ventures.

4. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, Person A, and divers others persons, both known and unknown to the Grand Jurors, encouraged Luis Francisco Moreno to serve as a loan applicant, to take out loans in the Middle District of North Carolina from Wells Fargo Bank, N.A., and Carolina Bank.

5. It was further a part of the conspiracy that the true purpose in having Luis Francisco Moreno apply for loans from Wells Fargo Bank, N.A., and Carolina Bank was for MICHAEL ALLAN JOHNSON, JR., JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, Person A, and divers other conspirators both known and unknown to the Grand Jurors, to divert the

proceeds of the loans from the stated purpose of the loans in order to enrich themselves.

6. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, and Person A diverted loan proceeds from the stated purpose of the loans in order to pay off and conceal previous fraudulent loans.

7. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, Person A, and divers others, both known and unknown to the Grand Jurors, provided or assisted in providing materially false information in loan applications to Wells Fargo Bank, N.A., and Carolina Bank regarding Luis Francisco Moreno's assets and income.

8. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, Person A, Luis Francisco Moreno, and divers others, both known and unknown to the Grand Jurors, provided or assisted in providing materially fraudulent documents, including bank statements and tax returns to Wells Fargo Bank, N.A., to support false income and asset claims contained in the loan applications submitted to Wells Fargo Bank, N.A.

9. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., Person A, Luis Francisco Moreno, and divers others, both known and unknown to the Grand Jurors, prepared and signed materially false HUD-1 settlement statements in connection with loans obtained from Wells Fargo Bank, N.A.

10. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., Person A, Luis Francisco Moreno, and divers others, both known and unknown to the Grand Jurors, submitted fraudulent documents, including HUD-1 settlement statements and bogus checks to Wells Fargo Bank, N.A., and Carolina Bank, to conceal their fraudulent conduct and diversion of loan proceeds.

11. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, Person A, Luis Francisco Moreno, and divers others, both known and unknown to the Grand Jurors, diverted loan proceeds obtained from Wells Fargo Bank, N.A., and Carolina Bank, from the intended and declared purposes.

12. It was a further part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., created a fake work estimate from Artisan Construction of

Concord, Inc., which was provided to Carolina Bank in connection with a loan application.

13. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., created fake paystubs allegedly from White Meadows, LLC, which were provided to Wells Fargo, N.A., to delay foreclosure proceedings.

14. It was further a part of the conspiracy that MICHAEL ALLAN JOHNSON, JR., created letters on his law firm letterhead falsely indicating various large sums were being held in the law firm trust and escrow accounts.

15. It was further a part of the conspiracy that fraudulent letters on MICHAEL ALLAN JOHNSON, JR.'s letterhead were provided to Wells Fargo Bank, N.A., to delay foreclosure proceedings.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO

1. The Grand Jury realleges and incorporates paragraphs 1 through 15 of Count One as if fully set forth herein.

2. From on or about October 8, 2006, continuing up to and including on or about March 21, 2007, the exact dates to the Grand Jurors unknown, in the Counties of Davidson and Guilford, in the Middle District of North Carolina, MICHAEL ALLAN JOHNSON, JR. and JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard, did knowingly execute a scheme

and artifice to obtain money, funds, and property owned by and under the custody and control of a financial institution, as defined by Title 18, United States Code, Section 20, the deposits of which were then insured by the Federal Deposit Insurance Corporation, that is, Wells Fargo Bank, N.A., by means of materially false and fraudulent pretenses, representations, and promises by submitting and causing to be submitted a fraudulent loan application via Guaranteed Home Mortgage Company, Inc., to Wells Fargo Bank, N.A., in the amount of \$1,000,000.00 to purchase a property located at 5400 Dorchester Road, Greensboro, North Carolina, and by diverting the proceeds from the stated purpose of the loan as represented to Wells Fargo Bank, N.A., in order to enrich themselves and their co-conspirators; all in violation of Title 18, United States Code, Sections 1344(2) and 2.

COUNT THREE

1. The Grand Jury realleges and incorporates paragraphs 1 through 15 of Count One as if fully set forth herein.

2. From on or about December 12, 2006, continuing up to and including on or about March 28, 2007, the exact dates to the Grand Jurors unknown, in the Counties of Davidson and Randolph, in the Middle District of North Carolina, MICHAEL ALLAN JOHNSON, JR. and JENNIFER WILLARD TURNMIRE, also known as Jennifer Willard did knowingly execute

a scheme and artifice to obtain money, funds, and property owned by and under the custody and control of a financial institution, as defined by Title 18, United States Code, Section 20, the deposits of which were then insured by the Federal Deposit Insurance Corporation, that is, Carolina Bank, by means of materially false and fraudulent pretenses, representations, and promises by submitting and causing to be submitted a fraudulent construction loan application in the amount of \$155,000.00 for Brantley Gordon Road, Denton, North Carolina, and by diverting the proceeds from the stated purpose of the loan as represented to Carolina Bank in order to enrich themselves and their co-conspirators; all in violation of Title 18, United States Code, Sections 1344(2) and 2.

COUNT FOUR

1. The Grand Jury realleges and incorporates paragraphs 1 through 15 of Count One as if fully set forth herein.

2. On or about January 2, 2009, in the County of Davidson, in the Middle District of North Carolina, MICHAEL ALLAN JOHNSON, JR., knowingly made and caused to be made a false statement to Wells Fargo Bank, N.A., a financial institution whose accounts at that time were insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the action of said bank in delaying a foreclosure proceeding by representing in a letter that \$315,000.00 in funds were on deposit in MICHAEL ALLAN

JOHNSON, JR.'s escrow and trust account and causing said letter to be provided to Wells Fargo Bank, N.A., whereas in truth and in fact, as MICHAEL ALLAN JOHNSON, JR., then well knew, his trust and escrow account only contained approximately \$2,800.00 at that time; in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT FIVE

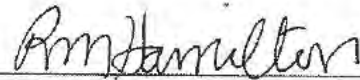
1. The Grand Jury realleges and incorporates paragraphs 1 through 15 of Count One as if fully set forth herein.

2. On or about July 16, 2009, in the County of Davidson, in the Middle District of North Carolina, MICHAEL ALLAN JOHNSON, JR., knowingly made and caused to be made a false statement to Wells Fargo Bank, N.A., a financial institution whose accounts at that time were insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the action of said bank in delaying a foreclosure proceeding, in that MICHAEL ALLAN JOHNSON, JR., caused a fictitious paystub to be created and provided to Wells Fargo Bank, N.A., indicating that Luis Francisco Moreno was employed by White Meadows, LLC, in June 2009, earning \$21,000.00 per month, when in truth and in fact, as MICHAEL ALLAN JOHNSON, JR., then well knew, Luis Francisco Moreno was not an employee of White Meadows, LLC, and did not

receive \$21,000.00 per month from White Meadows, LLC; in violation of Title 18, United States Code, Sections 1014 and 2.

DATED: January 30, 2017

SANDRA J. HAIRSTON
Acting United States Attorney



BY: ROBERT M. HAMILTON
Assistant United States Attorney

A TRUE BILL:

