

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA

v.

WILLIE CARSON, III

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§

CRIMINAL NO. H-07-218-002

PLEA AGREEMENT

The United States of America, by and through Donald J. DeGabrielle, Jr., United States Attorney for the Southern District of Texas and Jay Hileman, Assistant United States Attorney, and the defendant, Willie Carson, III and the defendant's counsel, Michael Herman, pursuant to Rule 11(c)(1)(A) and (B) of the Federal Rules of Criminal Procedure, state that they have entered into an agreement, the terms and conditions of which are as follows:

The Defendant's Agreement

1. The defendant agrees to plead guilty to Count One of the Indictment. Count One charges the defendant with Conspiracy, in violation of Title 18, United States Code, Section 371. The defendant further agrees to persist in that plea through sentencing and fully cooperate with the United States. The defendant understands that the United States could request that his sentencing be deferred until that cooperation is complete.

Cooperation

2. The United States reserves its option to seek any departure from the applicable sentencing guidelines, pursuant to Section 5K of the United States Sentencing Guidelines Manual, or Rule 35(b) of the Federal Rules of Criminal Procedure, if in its sole discretion, it is determined that such a departure is appropriate. In that regard:

- (a) Defendant agrees that this plea agreement binds only the United States Attorney for the Southern District of Texas and defendant; it does not bind any other United States Attorney or any other unit of the Department of Justice;
- (b) Defendant agrees to testify truthfully as a witness before a grand jury or in any other judicial or administrative proceeding when called upon to do so by the United States. Defendant further agrees to waive his Fifth Amendment privilege against self-incrimination for the purpose of this agreement;
- (c) Defendant agrees to voluntarily attend any interviews and conferences as the United States may request;
- (d) Defendant agrees to provide truthful, complete and accurate information and testimony;
- (e) Defendant agrees to provide to the United States all documents in his/her possession or under his/her control relating to all areas of inquiry and investigation.

The United States' Agreements

- 3. The United States agrees to each of the following:
 - (a) If defendant pleads guilty to Count One of the indictment and persists in that plea through sentencing, and if the Court accepts this plea agreement, the United States will move to dismiss any remaining counts of the indictment at the time of sentencing;
 - (b) At the time of sentencing, the United States agrees not to oppose defendant's anticipated request to the Court and the United States Probation Office that he receive a two (2) level downward adjustment of his offense level for acceptance of responsibility as contemplated in U.S.S.G. Section 3E1.1(a), and an additional one level

downward adjustment for timely notifying authorities of his intention to enter a plea of guilty;

(c) With the exception of tax offenses, bankruptcy frauds, internal security offenses and air piracy offenses, none of which the United States is aware exist, it will not further criminally prosecute Willie Carson, III.

(d) The United States agrees to recommend that Carson's sentencing guidelines offense level be reduced in accordance with U.S.S.C.G.M. Section 3B1.2(b) and he be found to be a minor participant in the scheme

Punishment Range

4. The maximum penalty for a violation of Title 18 , United States Code, Section 371, is imprisonment of not more than five(5) years and a fine of not more than \$250,000. Additionally, the defendant may receive a term of supervised release after imprisonment of not more than three(3) years. Title 18 U.S.C. §§ 3559(a)(3) and 3583(b)(2). Defendant acknowledges and understands that if he should violate the conditions of any period of supervised release which may be imposed as part of his sentence, then defendant may be imprisoned for up to two(2) years, without credit for time already served on the term of supervised release prior to such violation. Title 18 U.S.C. §§ 3559(a)(3) and 3583(e)(3). Defendant understands that he cannot have the imposition or execution of the sentence suspended, nor is he eligible for parole.

Mandatory Special Assessment

5. Pursuant to Title 18 U.S.C. § 3013(a)(2)(A), immediately after sentencing, defendant will pay to the Clerk of the United States District Court a special assessment in the amount of one hundred dollars (\$100.00) per count of conviction. The payment will be by cashier's check or money

order payable to the Clerk of the United States District Court, c/o District Clerk's Office, P.O. Box 61010, Houston, Texas 77208, Attention: Finance.

Fine and Reimbursement

6. Defendant understands that under U.S.S.G § 5E1.2(i), the Court is permitted to order the defendant to pay a fine that is sufficient to reimburse the government for the costs of any imprisonment or term of supervised release; if any is ordered.

7. Defendant agrees that any fine or restitution imposed by the Court will be due and payable immediately, and defendant will not attempt to avoid or delay payment.

8. Defendant agrees to make complete financial disclosure by truthfully executing a sworn financial statement (Form OBD-500) prior to sentencing if he is requested to do so.

Sentence Determination

9. Defendant is aware that the sentence will be imposed in accordance with the United States Sentencing Commission's Guidelines Manual (U.S.S.G.), which are advisory. Defendant nonetheless acknowledges and agrees that the Court has justification and authority to impose any sentence within the statutory maximum set for the offense(s) to which the defendant pleads guilty, and that the sentence to be imposed is within the sole discretion of the sentencing judge. If the Court should impose any sentence up to the maximum established by statute, defendant cannot, for that reason alone, withdraw a guilty plea, and will remain bound to fulfill all of the obligations under this plea agreement.

Waiver of Appeal

10. Defendant is aware that Title 18 U.S.C. § 3742 affords a defendant the right to appeal

the sentence imposed. **The defendant waives the right to appeal the sentence imposed or the manner in which it was determined.** The defendant may appeal only (a) the sentence imposed above the statutory maximum; or (b) an upward departure from the Sentencing Guidelines, which had not been requested by the United States as set forth in Title 18 U.S.C. § 3742(b). Additionally, the defendant is aware that Title 28, U.S.C. § 2255, affords the right to contest or “collaterally attack” a conviction or sentence after the conviction or sentence has become final. **The defendant waives the right to contest his conviction or sentence by means of any post-conviction proceeding.**

11. In agreeing to this waiver, defendant is aware that a sentence has not yet been determined by the Court. The defendant is also aware that any estimate of the probable sentencing range under the sentencing guidelines that he may have received from his counsel, the United States or the Probation Office, is a prediction, not a promise, and is **not binding** on the United States, the Probation Office or the Court. The United States does not make any promise or representation concerning what sentence the defendant will receive.

United States’ Non-Waiver of Appeal

12. The United States reserves the right to carry out its responsibilities under guidelines sentencing. Specifically, the United States reserves the right:

- (a) to bring its version of the facts of this case, including its evidence file and any investigative files, to the attention of the Probation Office in connection with that office’s preparation of a presentence report;
- (b) to set forth or dispute sentencing factors or facts material to sentencing;
- (c) to seek resolution of such factors or facts in conference with defendant’s counsel

and the Probation Office; and,

(d) to file a pleading relating to these issues, in accordance with U.S.S.G. Section 6A1.2.

Rights at Trial

13. Defendant represents to the Court that he is satisfied that his attorney has rendered effective assistance. Defendant understands that by entering into this agreement, he surrenders certain rights as provided in this plea agreement. Defendant understands that the rights of a defendant include the following:

(a) If defendant persisted in a plea of not guilty to the charges, defendant would have the right to a speedy jury trial with the assistance of counsel. The trial may be conducted by a judge sitting without a jury if the defendant, the United States, and the court all agree.

(b) At a trial, the United States would be required to present witnesses and other evidence against the defendant. Defendant would have the opportunity to confront those witnesses and his attorney would be allowed to cross-examine them. In turn, the defendant could, but would not be required to, present witnesses and other evidence on his own behalf. If the witnesses for defendant would not appear voluntarily, he could require their attendance through the subpoena power of the court.

(c) At a trial, defendant could rely on a privilege against self-incrimination and decline to testify, and no inference of guilt could be drawn from such refusal to testify. However, if the defendant desired to do so, he could testify on his own behalf.

Factual Basis for Guilty Plea

14. **Defendant is pleading guilty because he is guilty of the charges contained in Count One of the indictment.** If this case were to proceed to trial, the United States could prove all of the following facts beyond a reasonable doubt:

Willie Carson, III (Carson) worked as an associate of Revis Otto Willis at Advanced Mortgage located at 2620 Fountainview, Suite 302 in Houston, Texas until May 8 of this year. Advanced Mortgage recruited straw buyers to purchase residential properties. The buyers would apply for mortgages to finance the purchases. The buyers would make false statements regarding their income, employment and other material matters in the mortgage applications, which induced lenders to make loans that they otherwise would not have made. The buyers would also apply for mortgages in amounts greater than the actual sales price of the homes being purchased. At closing, the difference between the actual sales price and the mortgage would be “kicked back” to Advanced Mortgage. Eventually the properties would go into foreclosure because the straw buyer would not be able to pay the mortgage he had fraudulently applied for. The buyer made money in the scheme by receiving a fee from Advanced Mortgage when the sale closed. Advanced Mortgage made money in brokerage fees and by receiving the “kick back” of the difference between the mortgage and the actual sales price. Interstate wire communications facilities were used in the scheme when the conspirators received credit reports for the straw buyers from out of state credit reporting services.

In March of 2007 an undercover special agent of the United States Secret Service (UC SA) met with Carson, Revis Willis and others regarding the purchase of residential property by the UC SA through Advanced Mortgage. Carson, Revis and others agreed to help the UC SA purchase residential property by making false representations regarding his income and employment. Carson

knew that the UC SA was fraudulently purchasing the property through false representations and helped with the scheme by attending meetings, filling out mortgage applications and obtaining the UC SA's signature on blank mortgage applications.

On or about March 15, 2007, in Houston, Texas, in the Southern District of Texas, the defendants did accept the name, date of birth (DOB), Social Security Number (SSN) and other identifying information from the UC SA in furtherance of the scheme to defraud. The defendants did further agree with the UC SA to conduct a fraudulent mortgage loan for a residential property.

On or about March 16, 2007, in Houston, Texas, in the Southern District of Texas, the defendants did cause to be produced, a real estate sales contract for the property/home at 27307 Doverbrook LN, Huffman, Texas, and did induce and cause the UC SA to sign said sales contract, in furtherance of the scheme to defraud. The defendants further knew that said real estate sales contract contained an inflated value of \$750,000.00 for the property/home at 27307 Doverbrook LN, Huffman, Texas.

Breach of Plea Agreement

15. If defendant should fail in any way to fulfill completely all of the obligations under this plea agreement, the United States will be released from its obligations under the plea agreement, and the defendant's plea and sentence will stand. If at any time defendant retains, conceals or disposes of assets in violation of this plea agreement, or if defendant knowingly withholds evidence or is otherwise not completely truthful with the United States, then:

- (a) The United States may move the Court to set aside the guilty plea and reinstate prosecution; and

(b) Any information and documents that have been disclosed by defendant, whether prior to or subsequent to this plea agreement, and all leads derived therefrom, will be used against defendant in any prosecution.

16. Whether the defendant has breached any provision of this plea agreement shall be determined **solely** by the United States through the United States Attorney's Office, whose judgment in that regard is final.

Complete Agreement

17. This written plea agreement, consisting of ____ pages, together with the attached addendum of defendant and his attorney, constitutes the complete plea agreement between the United States, defendant and his counsel. No promises or representations have been made by the United States except as set forth in writing in this plea agreement. Defendant acknowledges that no threats have been made against him and that he is pleading guilty freely and voluntarily because he is guilty.

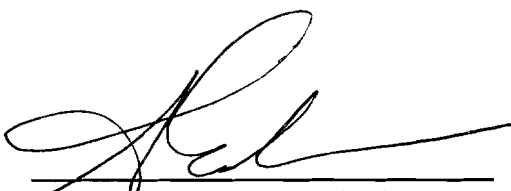
18. Any modification of this plea agreement must be in writing and signed by all parties.

Filed at Houston, Texas, on _____, 2007.


Defendant

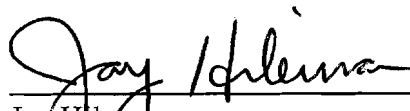
Subscribed and sworn to before me on September 12, 2007.

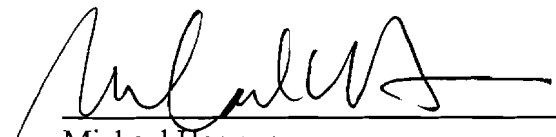
MICHAEL N. MILBY, Clerk
UNITED STATES DISTRICT CLERK

By: 
Deputy United States District Clerk

APPROVED:

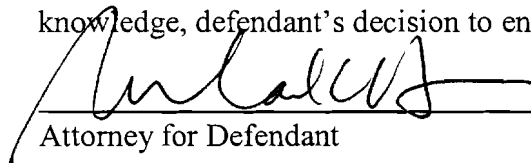
DONALD J. DeGABRIELLE, JR.
United States Attorney

By: 
Jay Hilleman
Assistant United States Attorney
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Effective Date: 1/8/03


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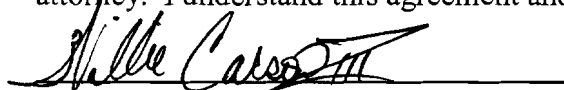
PLEA AGREEMENT - ADDENDUM

I have fully explained to defendant his rights with respect to the pending indictment. I have reviewed the provisions of the United States Sentencing Commission's Guidelines Manual and I have fully and carefully explained to defendant the provisions of those Guidelines which may apply in this case. I have carefully reviewed every part of this plea agreement with defendant. To my knowledge, defendant's decision to enter into this agreement is an informed and voluntary one.


Attorney for Defendant

Sept 12, 2007
Date

I have consulted with my attorney and fully understand all my rights with respect to the indictment pending against me. My attorney has fully explained and I understand all my rights with respect to the provisions of the United States Sentencing Commission's Guidelines Manual which may apply in my case. I have read and carefully reviewed every part of this plea agreement with my attorney. I understand this agreement and I voluntarily agree to its terms.


Defendant

Sept 12, 2007
Date