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

UNITED STATES OF AMERICA)	
)	Criminal No. 08-49
v.)	
)	(18 U.S.C. §§ 371 and
MICHAEL McFERRON POPE)	1956(a) (1) (A) (i) and 2)

THE INDICTMENT

The Grand Jury charges:

At all times material to this Indictment:

INTRODUCTION

1. Defendant MICHAEL McFERRON POPE operated, with Tiffany Lynn Sprouts, two businesses named Pope Financial Services, Inc., and Sprouts Mortgage, LLC, which were both located in the same office on Lewis Run Road in Pleasant Hills, Pennsylvania. Defendant MICHAEL McFERRON POPE purported to be a mortgage loan broker.

COUNT ONE

THE CONSPIRACY AND ITS OBJECTS

2. From in or around June 2002, and continuing thereafter until in or around December 2006, in the Western District of Pennsylvania and elsewhere, defendant MICHAEL McFERRON POPE, knowingly and willfully did conspire, combine, confederate and agree with persons known and unknown to the Grand Jury, to commit offenses against the United States, that is:

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(a) Mail Fraud, in violation of Title 18, United States Code, Section 1341;

(b) Wire Fraud, in violation of Title 18, United States Code, Section 1343;

(c) Bank Fraud, in violation of Title 18, United States Code, Section 1344;

(d) Obstruction of Justice, in violation of Title 18, United States Code, Section 1512; and

(e) Money Laundering, in violation of Title 18, United States Code, Section 1956.

MANNER AND MEANS OF THE CONSPIRACY

3. It was a part of the conspiracy that defendant MICHAEL McFERRON POPE and straw buyer Tiffany Lynn Sprouts through Sprouts Mortgage and Pope Financial Services recruited at least six different straw buyers with favorable credit scores to separately apply for mortgage loans from various financial and mortgage lending institutions to obtain funds and to purchase residential real estate selected by defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts located in southwestern Pennsylvania on behalf of the defendant in exchange for a portion of the loan proceeds.

4. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts created and obtained false and fraudulent documents in connection with the mortgage loans, including the following:

- (a) applications;
- (b) financial statements;
- (c) verifications of deposit;
- (d) verifications of rent or mortgage;
- (e) verifications of employment;
- (f) telephone verifications;
- (g) property leases; and
- (h) wage statements.

5. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts created and obtained the false and fraudulent documents to inflate the straw buyers' employment and financial condition, to overstate income and assets, in order to increase the dollar amount that could be borrowed against the properties.

6. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts used appraisals with an inflated opinion of market value of the properties in order to increase the dollar amount that could be borrowed against the properties.

7. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts directed the straw buyers to sign some of the false and fraudulent documents.

8. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts submitted the false

and fraudulent documents to the financial and mortgage lending institutions by United States mail, including overnight delivery, by interstate wire transmissions, and in person.

9. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts temporarily deposited funds into bank accounts of the straw buyers to make it appear that the straw buyers had sufficient assets to qualify for the loans and to make the down payments.

10. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts created false lease agreements purporting to show that the straw buyers would be renting to others the properties the straw buyers owned to conceal the true domicile of the straw buyers and to make it appear that the straw buyers had a source of income.

11. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts transferred funds between bank accounts and used currency to conceal the source of downpayments and the use of loan proceeds.

12. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts structured the transactions using credits and reimbursement of expenses to reduce the amount of cash needed to complete the transactions.

13. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts made some loan

repayments to lull the financial institutions into believing that the loans would be repaid and to deter further examination and to avoid foreclosure of the loans.

14. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts and the other straw buyers took some of the loan proceeds for their own use and benefit, including the purchase of additional properties to further the scheme, and to the loss and detriment of the financial institutions.

15. It was further a part of the conspiracy that defendant MICHAEL McFERRON POPE and Tiffany Lynn Sprouts directed a straw buyer to testify falsely about the properties and related loans before a grand jury sitting in the Western District of Pennsylvania.

OVERT ACTS

16. In furtherance of the conspiracy, and to effect the objects of the conspiracy, defendant MICHAEL McFERRON POPE, and Tiffany Lynn Sprouts, and others known and unknown to the Grand Jury, did commit and cause to be committed, the following overt acts, among others, in the Western District of Pennsylvania:

(a) In or around July 2002, defendant MICHAEL McFERRON POPE directed a straw buyer identified as ES to obtain a \$112,500 mortgage loan from ABN Amro Mortgage Group secured by property

owned by the straw buyer located on Griffin Street, Pittsburgh, Pennsylvania;

(b) In or around March 2004, defendant directed a straw buyer identified as CS to obtain a \$175,200 mortgage loan from Aames Funding Corporation secured by and to purchase property located on Thompson Street, Finleyville, Pennsylvania;

(c) In or around May 2004, defendant sold at an inflated price an uninhabitable single family residence and land located on Sugarcamp Road, Venetia, Pennsylvania, to two straw buyers identified as GR and FM;

(d) In or around March 2005, defendant MICHAEL McFERRON POPE directed a straw buyer identified as MS to obtain a \$922,500 mortgage loan from financial institution Bank of America secured by and to purchase from two straw buyers identified as GR and FM at an inflated price a portion of the property located on Sugarcamp Road, Venetia, Pennsylvania;

(e) In or around March 2005, defendant MICHAEL McFERRON POPE directed straw buyer Tiffany Lynn Sprouts to purchase at a deflated price the remaining portions of the property located on Sugarcamp Road, Venetia, Pennsylvania;

(f) In or around March 2005, defendant MICHAEL McFERRON POPE directed straw buyer Tiffany Lynn Sprouts to obtain a \$50,000 mortgage loan from financial institution World Savings Bank secured

by and to purchase property located on Scenery Ridge Drive, Pittsburgh, Pennsylvania;

(g) In or around April 2005, defendant MICHAEL McFERRON POPE directed a straw buyer identified as MS to obtain a \$190,800 mortgage loan from financial institution JP Morgan Chase Bank secured by a portion of the property located on Sugarcamp Road, Venetia, Pennsylvania;

(h) In or around May 2005, defendant MICHAEL McFERRON POPE directed straw buyer Tiffany Lynn Sprouts to purchase in foreclosure the property located on Griffin Street, Pittsburgh, Pennsylvania;

(i) In or around October 2005, defendant MICHAEL McFERRON POPE directed a straw buyer identified as JS to obtain a \$521,500 mortgage loan from Encore Credit Corporation secured by and to purchase at an inflated price the property located on Scenery Ridge Drive, Pittsburgh, Pennsylvania;

(j) In or around October 2005, defendant MICHAEL McFERRON POPE directed straw buyer Tiffany Lynn Sprouts to purchase property located on Aetna Drive, Pittsburgh, Pennsylvania;

(k) In or around December 2005, defendant MICHAEL McFERRON POPE directed a straw buyer identified as EM to obtain a \$168,750 mortgage loan from First Magnus Financial Corporation and a \$56,250 mortgage loan from financial institution JP Morgan Chase

Bank secured by and to purchase property located on Cedarvue Drive, Pittsburgh, Pennsylvania;

(l) In or around January 2006, defendant MICHAEL McFERRON POPE directed straw buyer Tiffany Lynn Sprouts to obtain a \$168,800 mortgage loan and a \$21,100 mortgage loan from GreenPoint Mortgage Funding secured by property located on Aetna Drive, Pittsburgh, Pennsylvania;

(m) In or around June 2006, defendant MICHAEL McFERRON POPE directed straw buyer Tiffany Lynn Sprouts to obtain a \$164,500 mortgage loan from financial institution Washington Mutual Bank secured by and to purchase property located on Bassett Drive, Bethel Park, Pennsylvania; and

(n) In or around December 2006, defendant MICHAEL McFERRON POPE directed Tiffany Lynn Sprouts to obtain a \$154,850 mortgage loan from financial institution Wells Fargo Bank secured by and to purchase property located on East McMurray Road, Venetia, Pennsylvania.

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

COUNT TWO

The Grand Jury further charges:

17. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 and 3 through 16 of Count One of this Indictment.

18. In or around March 2005, in the Western District of Pennsylvania, defendant MICHAEL McFERRON POPE, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, knowing that said financial transaction involved the proceeds of some form of unlawful activity, with the intent to promote the carrying on of the specified unlawful activity of Mail, Wire and Bank Fraud; in that defendant MICHAEL McFERRON POPE, caused the deposit of \$283,237 from the proceeds of the sale of the property located on Sugarcamp Road, said funds being the proceeds of Bank Fraud, into the account of Tiffany Lynn Sprouts at National City Bank, with the intent to promote Mail, Wire and Bank Fraud by obtaining an official check for the purchase of additional property.

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

COUNT THREE

The Grand Jury further charges:

19. The Grand Jury realleges and incorporates by reference the allegations contained in paragraphs 1 and 3 through 16 of Count One of this Indictment.


20. In or around October 2005, in the Western District of Pennsylvania, defendant MICHAEL McFERRON POPE, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, knowing that said financial transaction involved the proceeds of some form of unlawful activity, with the intent to promote the carrying on of the specified unlawful activity of Mail, Wire and Bank Fraud; in that defendant MICHAEL McFERRON POPE, caused the deposit of \$462,358 from the proceeds of the sale of property located on Scenery Ridge Drive, said funds being the proceeds of Wire Fraud, into the account of Tiffany Lynn

Sprouts at National City Bank, with intent to promote Mail, Wire and Bank Fraud by obtaining an official check for the purchase of additional property.

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

True Bill,


FOREPERSON


MARY BETH BUCHANAN
United States Attorney
PA ID No. 50254