

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

UNITED STATES OF AMERICA)	
)	Criminal No. 08-51
v.)	
)	(18 U.S.C. § 371)
MARLIN SPROUTS, Jr.)	[UNDER SEAL]

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 U.S. DISTRICT COURT
 WESTERN DISTRICT OF PENNSYLVANIA

THE INDICTMENT

The Grand Jury Charges:

At all times material to this Indictment:

INTRODUCTION

1. Defendant MARLIN SPROUTS, Jr. was a mortgage loan borrower from financial institutions Bank of America and JP Morgan Chase Bank.

2. An individual, identified as MMP, jointly operated with Tiffany Lynn Sprouts a business named Sprouts Mortgage, LLC, which was located in Pleasant Hills, Pennsylvania.

COUNT ONE

THE CONSPIRACY AND ITS OBJECTS

3. From in or around January 2005, and continuing thereafter until in or around December 2006, in the Western District of Pennsylvania and elsewhere, defendant MARLIN SPROUTS, Jr., 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:

(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; and

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

MANNER AND MEANS OF THE CONSPIRACY

4. It was a part of the conspiracy that MMP and Tiffany Lynn Sprouts through Sprouts Mortgage recruited straw buyers, including defendant MARLIN SPROUTS, Jr., with favorable credit scores to separately apply for mortgage loans from various financial and mortgage lending institutions to purchase residential real estate selected by MMP and Tiffany Lynn Sprouts located in southwestern Pennsylvania in exchange for a portion of the loan proceeds.

5. It was further a part of the conspiracy that MMP and Tiffany Lynn Sprouts created and obtained false and fraudulent documents in connection with the mortgage loans.

6. It was further a part of the conspiracy that MMP and Tiffany Lynn Sprouts created and obtained 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.

7. It was further a part of the conspiracy that MMP 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.

8. It was further a part of the conspiracy that MMP and Tiffany Lynn Sprouts directed defendant MARLIN SPROUTS, Jr. to sign some of the false and fraudulent documents.

9. It was further part of the conspiracy that MMP 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.

10. It was further a part of the conspiracy that MMP sold an uninhabitable single family residence and land located on Sugarcamp Road, Venetia, Pennsylvania, to two straw buyers identified as GR and FM, and later sub-divided the property into three lots.

11. It was further a part of the conspiracy that MMP and Tiffany Lynn Sprouts, directed defendant MARLIN SPROUTS, Jr. to apply separately to financial institutions for a mortgage loan and a home equity line of credit to purchase, at an inflated price, a portion of the Sugarcamp Road property from the two straw buyers identified as GR and FM.

12. It was further a part of the conspiracy that MMP and Tiffany Lynn Sprouts temporarily deposited funds into a bank

account owned by defendant MARLIN SPROUTS, Jr. to make it falsely appear that defendant MARLIN SPROUTS, Jr. had sufficient assets of his own to qualify for the loans and make the down payment.

13. It was further a part of the conspiracy that MMP and Tiffany Lynn Sprouts added the name of defendant MARLIN SPROUTS, Jr. to an existing checking account owned by Tiffany Lynn Sprouts to make it falsely appear that defendant MARLIN SPROUTS, Jr. had sufficient assets of his own to qualify for the loans and to make the down payment.

14. It was further a part of the conspiracy that MMP and Tiffany Lynn Sprouts directed defendant MARLIN SPROUTS, Jr. to falsely represent to the financial institutions that the property was to be the primary residence of defendant MARLIN SPROUTS, Jr.

15. It was further a part of the conspiracy that MMP, Tiffany Lynn Sprouts and defendant MARLIN SPROUTS, Jr. 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.

16. It was further a part of the conspiracy that MMP, Tiffany Lynn Sprouts and defendant MARLIN SPROUTS, Jr. took some of the loan proceeds for their own use and benefit, including the purchase of additional properties and to further the scheme, and to the loss and detriment of the financial institutions.

OVERT ACTS

17. In furtherance of the conspiracy, and to effect the objects of the conspiracy, defendant MARLIN SPROUTS, Jr., MMP and Tiffany Lynn Sprouts, did commit and cause to be committed, the following overt acts, among others, in the Western District of Pennsylvania:

(a) In or around January 2005, defendant MARLIN SPROUTS, Jr. signed an application for a mortgage loan from Bank of America, to purchase the property located on Sugarcamp Road;

(b) In or around January 2005, defendant MARLIN SPROUTS, Jr. deposited into his bank account at First National Bank a check for \$200,000 from Tiffany Lynn Sprouts;

(c) In or around January 2005, defendant MARLIN SPROUTS, Jr. Signed a signature card to open a savings account at First National Bank;

(d) In or around January 2005, defendant MARLIN SPROUTS, Jr. issued a check for \$9,000 drawn on his First National Bank account payable to straw buyers identified as GR and FM to purchase the Sugarcamp Road property;

(e) In or around March 2005, defendant MARLIN SPROUTS, Jr. signed a signature card to add his name to a checking account at National City Bank owned by Tiffany Lynn Sprouts;

(f) In or around March 2005, defendant MARLIN SPROUTS, Jr. signed a verification of deposit form for his savings account

at National City Bank in connection with the mortgage loan from Bank of America;

(g) In or around March 2005, defendant MARLIN SPROUTS, Jr. obtained a \$922,500 mortgage loan from Bank of America secured by and to purchase a portion of the property on Sugarcamp Road;

(h) In or around March 2005, defendant MARLIN SPROUTS, Jr. signed a settlement statement in connection with the purchase of the property on Sugarcamp Road;

(i) In or around April 2005, defendant MARLIN SPROUTS, Jr. signed an application for a line of credit from JP Morgan Chase Bank, to be secured by a portion of the property located on Sugarcamp Road;

(j) In or around April 2005, defendant MARLIN SPROUTS, Jr. signed a settlement statement in connection with the line of credit;

(k) In or around April 2005, defendant MARLIN SPROUTS, Jr. obtained a \$190,800 line of credit from JP Morgan Chase Bank secured by a portion of the Sugarcamp Road property;

(l) In or around April 2005, defendant MARLIN SPROUTS, Jr. endorsed a proceeds check of \$181,731 from the line of credit and gave it to Tiffany Lynn Sprouts;

(m) In or around March 2006, defendant MARLIN SPROUTS, Jr. received from Tiffany Lynn Sprouts a check drawn on National

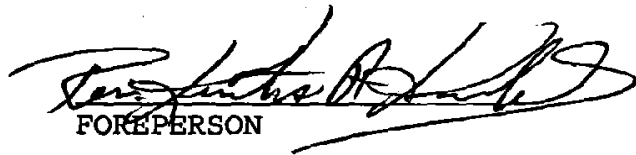
City Bank for \$9,573 which he deposited into his account at First National Bank;


(n) In or around April 2006, defendant MARLIN SPROUTS, Jr. received from Tiffany Lynn Sprouts a check drawn on National City Bank for \$9,573 which he deposited into his account at First National Bank; and

(o) In or around May 2006, defendant MARLIN SPROUTS, Jr. received from Tiffany Lynn Sprouts a check drawn on National City Bank for \$9,573 which he deposited into his account at First National Bank.

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

True Bill,


FOREPERSON


MARY BETH BUCHANAN
United States Attorney
PA ID No. 50254