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

UNITED STATES OF AMERICA)
)
 v.)
)
 AARON McCARTHY)

Criminal No. 08-40
(18 U.S.C. § 1349)

INDICTMENT

COUNT ONE

FILED

JAN 29 2008

The Grand Jury charges:

CLERK, U.S. DISTRICT COURT
WEST. DIST. OF PENNSYLVANIA

THE CONSPIRACY AND ITS OBJECTS

1. From in or around March 2004, and continuing thereafter until in or around March 2006, in the Western District of Pennsylvania and elsewhere, the defendant, AARON McCARTHY, knowingly and willfully did conspire, combine, confederate and agree with other persons known to the Grand Jury, to commit an offense against the United States, that is, Wire Fraud, in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS OF THE CONSPIRACY

2. It was a part of the conspiracy that individuals known to the grand jury as KF and JD arranged for the submission of fraudulent loan applications of borrowers that contained material misrepresentations as to the borrowers' financial condition.

3. It was further a part of the conspiracy that individuals known to the grand jury as KF and JD submitted fraudulent documents in connection with those loan application to lenders, including but

not limited to, verifications of employment, verifications of deposit, appraisals, paystubs, and W-2s.

4. It was further a part of the conspiracy that as a means of paying members of the conspiracy and with the knowledge of defendant AARON McCARTHY, other members of the conspiracy represented, in connection with loan transactions, that defendant AARON McCARTHY or an entity associated with defendant AARON McCARTHY would be paid a portion of the loan proceeds for construction work performed or to be performed on the collateral underlying the loan, when in truth and fact, and as the other members of the conspiracy and defendant AARON McCARTHY then well knew, there had been no construction work performed and there was no expectation of construction work to be performed.

5. It was further a part of the conspiracy that the defendant, AARON McCARTHY, would direct the payments back to other members of the conspiracy made to him in connection with the fraudulent loan transactions.

6. It was further a part of the conspiracy KF, JD, and other members of the conspiracy caused wire transfers from the accounts of the lending institutions, located outside the Commonwealth of Pennsylvania, to the accounts of the closing agents located in the


Commonwealth of Pennsylvania, in furtherance of the Wire Fraud scheme.

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

A True Bill,



FOREPERSON



MARY BETH BUCHANAN
United States Attorney
PA ID No. 50254