

1535

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

UNITED STATES OF AMERICA)	
)	Criminal No. 07-154
v.)	
)	(18 U.S.C. §§ 371,
WILLIAM D. EDGAR)	1344, 1343, and 2(b))

INFORMATION

COUNT ONE

The United States Attorney charges:

At all times material to this Information:

1. America's Mortgage Outlet, Incorporated (hereinafter "AMOC"), was a Pennsylvania business corporation with offices located at 339 Haymaker Road, Monroeville, Pennsylvania 15146. AMOC was licensed by the Pennsylvania Department of Banking as a first and second mortgage broker, and did business as a mortgage brokerage. AMOC was owned by the defendant, WILLIAM D. EDGAR.

2. The defendant, WILLIAM D. EDGAR, employed various individuals as mortgage loan officers in the operation of AMOC.

3. Flagstar Bank (hereinafter "FSB"), located at 5151 Corporate Drive, Troy, Michigan 48098 was a federally insured financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation. FSB was engaged in the business of banking, including mortgage loan financing.

4. WMC Mortgage Corporation (hereinafter "WMC"), located at 6320 Canoga Avenue, Woodland Hills, California 91367, was a commercial lending company engaged in the business of

mortgage loan financing.

5. Greenpoint Mortgage, located at 100 Wood Hollow Drive, Novato, California 94945, (hereinafter "Greenpoint"), was a commercial lending company engaged in the business of mortgage loan financing.

6. AMOC engaged in business with FSB, WMC, and Greenpoint (hereinafter "the lenders") under broker agreements (hereinafter "the agreements"), whereby AMOC submitted mortgage loan application packages, including supporting documents, to the lenders for funding, and the lenders agreed to fund mortgage loans which met the lenders loan conditions and guidelines.

7. Under the agreements, AMOC warranted to the lenders that the mortgage loan information and documents submitted by AMOC to the lenders for each mortgage loan would in every respect be complete, valid, truthful and accurate.

8. America's Home Buyers, Inc. (hereinafter "AHB"), W.D. Holdings, Inc. (Hereinafter "WDH"), and Western Pennsylvania Real Estate, Inc. (hereinafter "WPRE"), were business entities incorporated in the Commonwealth of Pennsylvania, and controlled by the defendant, WILLIAM D. EDGAR. Nationwide Development, Inc. (hereinafter "Nationwide") was a business entity incorporated in the Commonwealth of Pennsylvania and controlled in part by a loan officer known to the United States Attorney, and employed by the defendant, WILLIAM D. EDGAR, at AMOC.

9. Beginning in or around May, 2001, and continuing to in or around October, 2003, in the Western District of Pennsylvania and elsewhere, the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, knowingly and willfully did combine, conspire, confederate and agree, together and with one another, to commit offenses against the United States in violation of Title 18, United States Code, Sections 1014, 1343, 1344, 1956, and 2(b), that is:

(a) To make false material statements in applications for mortgage loans submitted to federally insured financial institutions for the purpose of influencing the actions of the institutions on the loan applications;

(b) To devise a scheme and artifice to defraud and to obtain money and property owned by, and under the custody and control of the lenders, by means of false and fraudulent pretenses, representations and promises, well knowing at the time that the pretenses, representations and promises were false and fraudulent when made, and during the period charged above, to execute the said scheme and artifice to defraud by transmitting, and causing to be transmitted in interstate commerce by means of wire communications, certain writings, signals and sounds; and

(c) To conduct financial transactions involving the proceeds of the scheme to defraud with the intent to promote the carrying on of the scheme to defraud and to conceal and disguise the ownership and control of the proceeds of the scheme to defraud.

MANNER AND MEANS OF THE CONSPIRACY

10. It was a part of the conspiracy that the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, engaged in a scheme to deceive the lenders. One form of the scheme was to falsely represent to the lenders that mortgage loan applications presented to the lenders were for refinance loans, when in actuality the applications were for purchase loans. The refinance scheme deceived the lenders into approving and funding loans on terms and conditions they would not have otherwise approved or funded. Another form of the scheme was to accurately represent loans as purchase loans, but to falsely inflate the sale prices and values of real properties being purchased in order to cause the lenders to approve larger loans than they would have otherwise approved. This scheme deceived lenders into financing down payments and other cash disbursements from mortgage loan proceeds.

11. It was further a part of the conspiracy that the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, in order to deceive the lenders, caused loan applications to be submitted which the defendant knew contained false information regarding the true ownership of real properties, sale prices and values of real properties, borrowers' employment, income, assets, liabilities, or equity ownership in real properties used as collateral. The false representations were intended to deceive the lenders with regard to the financial condition and

credit worthiness of the borrowers and the values of the properties being financed, for the purpose of influencing the lenders to approve the loans.

12. It was further a part of the conspiracy that the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, caused false documents to be created and to be provided to the lenders to support the various false statements made in mortgage loan applications.

13. It was further a part of the conspiracy that the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, caused the lenders to make payment of loan proceeds on approved mortgage loans to settlement agents located in Pittsburgh, Pennsylvania.

14. It was further a part of the conspiracy that the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, caused the settlement agents to disburse the loan proceeds at loan closings in a manner contrary to the instructions given by the lenders to the settlement agents.

15. It was further a part of the conspiracy that the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, caused the settlement agents to make disbursements of loan proceeds by directing that checks be issued to various business entities and companies, including AHB, WDH, WPRE, and Nationwide, to settle purported liabilities represented to the lenders as needing to be paid from the loan proceeds. The

defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, then well knew that the purported liabilities represented to the lenders were false.

OVERT ACTS

16. In furtherance of the conspiracy, and to effect its objects and purposes, the following overt acts were committed in the Western District of Pennsylvania and elsewhere:

17. On or about August 12, 2002, the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, caused to be transmitted to FSB a fraudulent American Express Financial Direct IRA Account Statement supporting the mortgage loan application of M.B., a person known to the United States Attorney, to borrow \$65,000 from FSB in order to refinance property at 211 Crestview Road, Pittsburgh, Pennsylvania 15235. The defendant then well knew that the IRA Statement was false.

18. On or about September 24, 2002, the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, caused to be transmitted to FSB a fraudulent Verification of Rent or Mortgage document which was intended to support the mortgage loan application of D.B., a person known to the United States Attorney, to borrow \$68,000 from FSB to purchase property at 505 East Railroad Avenue, Verona, Pennsylvania 15147. The defendant then well knew that the verification of mortgage information was false.

19. On or about October 28, 2002, the defendant, WILLIAM

D. EDGAR, and other persons known to the United States Attorney, caused to be transmitted to FSB a fraudulent Verification of Rent or Mortgage supporting the mortgage loan application of P.G., a person known to the United States Attorney, to borrow \$41,000 from FSB for property at 3901 Oakdale Street, Pittsburgh, Pennsylvania 15214. The defendant then well knew that the verification of mortgage information was false.

20. On or about November 15, 2002, the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, caused to be transmitted to FSB a fraudulent American Life Annuity Statement supporting the mortgage loan application of J.C., a person known to the United States Attorney, to borrow \$59,000 from FSB in order to purchase property at 374 Ingomar Street, Pittsburgh, Pennsylvania 15218. The defendant then well knew that the Annuity Statement was false.

21. On or about February 11, 2003, the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, caused to be transmitted to WMC a fraudulent Verification of Deposit supporting the mortgage loan application of D.L., a person known to the United States Attorney, to borrow \$51,000 from WMC for property at 1419 Arlington Avenue, Pittsburgh, Pennsylvania 15219, and \$72,250 for property at 3539 York Street, Munhall, Pennsylvania 15120. The defendant then well knew that the verification of deposit was false.

22. On or about October 13, 2003, the defendant, WILLIAM

D. EDGAR, and other persons known to the United States Attorney, caused to be transmitted to Greenpoint a fraudulent Mortgage Payoff Transmittal Form for property at 231 Kansas Street, Verona, Pennsylvania 15147, which falsely represented the amount of funds needed to pay off a mortgage allegedly held by AHB on the property. The document was transmitted in support of a mortgage loan application of S.L., a person known to the United States Attorney, to borrow from Greenpoint \$96,000 for the property at 231 Kansas Street, Verona, Pennsylvania. The defendant then well knew that the mortgage payoff information was false.

In violation of Title 18, United States Code, Section 371.

COUNT 2

The United States Attorney further charges:

23. The allegations made in Paragraphs 1 through 22 of this Information are realleged herein as if fully set forth.

24. On or about September 24, 2002, in the Western District of Pennsylvania and elsewhere, the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, for the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud and to obtain money and property from FSB, and attempting to do so, did cause to be transmitted to FSB a fraudulent Verification of Rent or Mortgage document which was intended to support the mortgage loan application of D.B., a person known to the United States Attorney, to borrow \$68,000 from FSB to purchase property at 505 East Railroad Avenue, Verona, Pennsylvania 15147. The defendant then well knew that the verification of mortgage information was false.

In violation of Title 18, United States Code, Sections 1344 and 2(b).

COUNT 3

The United States Attorney further charges:

25. The allegations made in Paragraphs 1 through 22 of this Information are realleged herein as if fully set forth.

26. On or about February 11, 2003, in the Western District of Pennsylvania and elsewhere, the defendant, WILLIAM D. EDGAR, and other persons known to the United States Attorney, for the purpose of executing the aforesaid scheme and artifice to defraud, did cause to be transmitted in interstate commerce by means of wire communications certain signals and sounds, that is, the defendant caused a telefax to be transmitted from the offices of AMOC at 339 Haymaker Road, Monroeville, Pennsylvania 15146, to WMC at 6320 Canoga Avenue, Woodland Hills, California 91367, which was a fraudulent Verification of Deposit supporting the mortgage loan application of D.L., a person known to the United States Attorney, to borrow \$51,000 from WMC for property at 1419 Arlington Avenue, Pittsburgh, Pennsylvania 15219, and to borrow \$72,250 from WMC for property at 3539 York Street, Munhall, Pennsylvania 15120. The defendant then well knew that the verification of deposit was false.

In violation of Title 18, United States Code, Sections 1343 and 2(b).

FORFEITURE ALLEGATIONS

The United States Attorney further charges:

27. The allegations contained in Counts One, Two, and Three of this Information are incorporated herein by reference thereto for the purpose of alleging criminal forfeitures pursuant to 28 U.S.C. Section 2461(c), which incorporates Title 18, United States Code, Section 981(a)(1)(C) and Title 21, United States Code, Section 853(p).

28. As a result of the commission of the violations charged in Counts One, Two and Three of this Information, the defendant, WILLIAM D. EDGAR, did acquire the following property that constitutes, and is derived from, the proceeds obtained, directly and indirectly, from such violations, thereby subjecting said property to forfeiture to the United States of America pursuant to Title 28, United States Code, Section 2461(c), which incorporates Title 18, United States Code, Section 981(a)(1)(C):

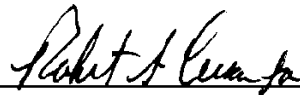
(a) United States currency, cash equivalents, and bank account balances, constituting the gross proceeds of such violations.

29. If through any act or omission by the defendant, WILLIAM D. EDGAR, any or all of the property described in paragraph 28 above (hereinafter the "Subject Properties"):

(1) Cannot be located upon the exercise of due diligence;

- (2) Has been transferred, or sold to, or deposited with a third person;
- (3) Has been placed beyond the jurisdiction of the Court;
- (4) Has been substantially diminished in value; or
- (5) Has been commingled with other property which cannot be subdivided without difficulty;

the United States of America intends to seek forfeiture of any other property of the defendant, WILLIAM D. EDGAR, up to the value of the dissipated property, pursuant to Title 28, United States Code, Section 2461(c), which incorporates Title 21, United States Code, Section 853(p).



MARY BETH BUCHANAN
United States Attorney
PA ID No. 50254