

UNITED STATES DISTRICT COURT **FILED**

EASTERN DISTRICT OF CALIFORNIA JUN 11 2008

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY DEPUTY CLERK

UNITED STATES OF AMERICA
v.

208-11-0205 KJM

MELISSA VILLEGAS

CRIMINAL COMPLAINT

390 Allaire Circle
Sacramento, CA 95835

CASE NUMBER:


I, the undersigned complainant state that the following is true and correct to the best of my knowledge and belief. On or about February 27, 2008 in Sacramento County, in the Eastern District of California defendant(s) did, (Track Statutory Language of Offense)

▶ In a matter within the jurisdiction of the executive branch of the United States, knowingly and willfully make a materially false, fictitious and fraudulent statement or representation ,

in violation of Title 18, United States Code, Section(s) 1001(a). I further state that I am a Special Agent with the U.S. Dept. of Treasury and that this complaint is based on the following facts:

▶ See Attached Affidavit.

Continued on the attached sheet and made a part of this complaint: Yes: See Affidavit


Signature of Complainant Chris S. Fitzpatrick
Special Agent, Department
of the Treasury, Criminal Investigations


Sworn to before me, and signed in my presence
June 11, 2008

Sacramento, California

Date
Kimberly J. Mueller
United States Magistrate Judge

City State

Name of Judge


Signature of Judge

1 **AFFIDAVIT IN SUPPORT OF ARREST WARRANT and CRIMINAL**
2 **COMPLIANT**

3
4 **I. INTRODUCTION**

5 **A. Agent's Background and Experience.**

6 1. I, Christopher S. Fitzpatrick, having been duly
7 sworn, do hereby depose and state the following:

8 2. I am a Special Agent with Treasury Department,
9 Internal Revenue Service - Criminal Investigation
10 ("IRS-CI"), presently assigned to the Sacramento office. I
11 have been employed as a Special Agent since September 2001.
12 In the course of my employment with the IRS-CI, I have
13 conducted or been involved in more than 100 investigations
14 of alleged criminal violations, which have included: aiding
15 or assisting in the preparation of false tax returns (26
16 U.S.C. § 7206(2)); conspiring to defraud the United States
17 with respect to claims (18 U.S.C. § 286); money laundering
18 (18 U.S.C. §§ 1956, 1957); identity theft (18 U.S.C. §
19 1028); conducting an unlicensed money transmitting business
20 (18 U.S.C. § 1960); structuring cash transactions (31 U.S.C.
21 § 5324); mail fraud (18 U.S.C. § 1341); wire fraud (18
22 U.S.C. § 1343); bank fraud (18 U.S.C. § 1344); loan fraud
23 (18 U.S.C. § 1014); theft, embezzlement, or misapplication
24 by bank officer or employee (18 U.S.C. § 656); assisting in
25 the unlawful interception and reception of communications
26 service offered over a cable system (47 U.S.C. § 553(a)(1));
27 importing controlled substances (21 U.S.C. § 952);
28 distributing controlled substances (21 U.S.C. § 841(a)(1));
 making a false statement (18 U.S.C. § 1001); conspiracy (18
 U.S.C. § 371); and forfeiture (18 U.S.C. §§ 981, 982). Most
 of these investigations focused on individuals deriving
 income from illegal activity.

1 3. I have attended more than 1,000 hours of training
2 in various aspects of criminal investigation, and I have
3 attended classes and seminars dealing specifically with
4 money laundering, various financial crime techniques, and
5 related financial investigative techniques.

6 4. I base this affidavit on my own investigation and
7 on findings provided to me by Federal Bureau of
8 Investigation, Special Agent, John Sommercamp, and
9 California Department of Real Estate, Senior Deputy
10 Commissioner, Tricia Sommers. I reviewed the documents in
11 this case, including real estate closing documents
12 maintained by Chicago Title and witness and defendant
13 statements given in the course of this investigation. I
14 have not included every fact known to me, rather, only those
15 facts necessary to establish probable cause.

16 B. Charge.

17 5. I make this affidavit in support of a criminal
18 complaint. The information below establishes probable cause
19 to believe that:

20 (1) On or about February 27, 2008, in the
21 Eastern District of California, in
22 connection with the investigation of JEREMY
23 MONSON (hereinafter "MONSON") purchase of
24 real property located at 3915 4th Avenue,
25 Sacramento, California, MELISSA VILLEGAS
26 (hereinafter "MELISSA") made a materially
27 false statement to federal agents when she
28 informed them she had never compensated
MONSON for purchasing the 3915 4th Avenue
property or any other property MONSON had
purchased, in violation of 18 U.S.C. § 1001.

1 C. Overview of Investigation.

2 6. In August 2006, MONSON became interested in
3 purchasing investment homes in and around the Sacramento
4 area. Through an associate, MONSON was placed in contact
5 with MELISSA and RICK VILLEGAS (hereinafter "RICK"),
6 employees of Landmark Realty of Sacramento. Investigation
7 revealed MONSON purchased four real properties with the
8 assistance of the VILLEGAS. Three out of the four real
9 properties MONSON purchased were located in Sacramento,
10 California. Chicago Title was the escrow company that was
11 used to open and close escrow on MONSON's three Sacramento,
12 California real property transactions. MELISSA and RICK
13 informed MONSON that he would be paid \$10,000 per home that
14 he placed in his name. The homes would remain in Monson's
15 name for one year, and would be rented during that time
16 period to cover the mortgages. During an interview with
17 MELISSA and RICK on or about February 27, 2008, both were
18 asked by federal agents if they had ever monetarily
19 compensated MONSON for purchasing the real properties.
20 MELISSA stated, "No."

21 7. A review of MONSON's Golden One Credit Union
22 savings account revealed on or about December 14, 2006, a
23 deposit of \$4,120 was made into the bank account. A review
24 of the deposited item revealed the item consisted of a check
25 issued by MELISSA VILLEGAS, dba West Coast Restoration
26 Consulting Services, LLC. The memo section of the check
27 stated, "3915 4th Ave - Reimbursement." As discussed in
28 greater detail below, the property address of 3915 4th
Avenue is one of the three real properties MONSON purchased
in Sacramento, California. There is probable cause to
believe MELISSA made a materially false and fraudulent
statement, in violation of 18 U.S.C. § 1001, when she lied
to federal agents about ever compensating MONSON.

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II. CHICAGO TITLE ESCROW RECORDS

8. In the course of this investigation your affiant has reviewed the escrow files obtained from Chicago Title, the title company that opened and closed the escrows for the following real properties MONSON purchased:

- 3480 38th Street, Sacramento, California;
- 3915 4th Avenue, Sacramento, California; and
- 3727 La Solidar Way, Sacramento, California

According to the Chicago Title escrow records, all three properties were purchased over a 43 day time-period. The 38th Street real property was purchased first, on or about August 1, 2006. The 3727 La Solidar real property was purchased last, on or about September 14, 2006. A review of the Chicago ^{TITLE} ~~Title~~ escrow files for the three real properties above revealed each escrow file included a Uniform Residential Loan Application (hereinafter "loan application"). Based on my investigation I have determined that the each loan application included numerous false statements. These include, but are not limited to the following:

- First, each loan application indicated MONSON intended to occupy each real property as his "primary" residence. It is impossible for an individual to occupy three properties as their "primary" residence at the same time;
- Second, each of the loan applications indicated MONSON was employed by ARA Investments, Inc., as a territory sales representative. During an interview with MONSON on or about January 14, 2008, MONSON indicated he worked for UC Davis Medical Center. Additionally, MONSON indicated he has never worked for ARA Investments, Inc.; and

- 1 • Third, each loan application indicated MONSON earned a
2 gross monthly income of \$8,000-\$8,500 per month while
3 purportedly working at ARA Investment, Inc. During an
4 interview with MONSON or about January 14, 2008, MONSON
5 indicated he only earned approximately \$1,040 per month
6 while working at UC Davis Medical Center. A review of
7 MONSON's Golden One Credit Union checking account,
8 between July 2006 and August 2006, revealed MONSON
9 averaged deposits into the account of approximately
10 \$1,569 per month.

11 III. INTERVIEWS

12 A. INTERVIEW of JEREMY MONSON

13 9. On or about January 14, 2008, your affiant along
14 with California Department of Real Estate (hereinafter
15 "DRE") Senior Deputy Commissioner Tricia Sommers, and FBI
16 Special Agent John Sommercamp interviewed MONSON. In
17 pertinent part, MONSON stated the following:

18 i. MONSON (DOB 7/4/1981) lives with his parents
19 located at 8012 Skander Way, Sacramento, California. MONSON
20 has never lived at a different residence besides the Skander
21 Way address. Since 2000, MONSON has worked for UC Davis
22 located on Stockton Boulevard in Sacramento, California.
23 Currently, MONSON works in the Labor and Delivery Department
24 located on the 3rd floor of the hospital. MONSON is paid
25 \$13-\$14 per hour and works 80 hours per month.

26 ii. MONSON's cousin, Jason Leviro (hereinafter
27 "Leviro"), informed MONSON he was looking for individuals
28 with good credit to purchase investment properties. MONSON
told Leviro he was interested and Leviro referred MONSON to
his (Leviro's) employer - MELISSA and RICK VILLEGAS dba
Landmark Realty. MONSON had previously already known
MELISSA and RICK through Leviro. Both RICK and MELISSA
informed MONSON over the telephone that they offered a

1 program where MONSON would use his credit to purchase
2 properties in his name for one year. During the one year,
3 the properties would be rented out. If the properties could
4 not be rented, they would be resold for a profit. Both
5 MELISSA and RICK informed MONSON he would be paid \$10,000
6 per home that MONSON placed in his name. Both RICK and
7 MELISSA informed MONSON the worst thing that could happen to
8 him would be the lender may file a 30-day late notice. Both
9 MELISSA and RICK asked for MONSON's social security number
10 to run his credit score to make sure he qualified for the
11 program.

12 iii. MONSON qualified for the program and he met
13 both MELISSA and RICK in person at their residence in
14 Natomas near Arco Arena. During their meeting, MONSON gave
15 RICK and MELISSA a copy of his UC Davis pay-stub. MONSON is
16 not sure if he also provided his Form W-2. MONSON informed
17 them where he worked and how much he was paid per hour.

18 iv. Over a period of time, MONSON purchased a
19 total of four investment properties with the assistance of
20 RICK and MELISSA. Three of the investment properties were
21 located in Sacramento and the fourth investment property was
22 located in Stockton. MONSON cannot remember any of the
23 addresses. Prior to purchasing the investment properties,
24 MONSON asked MELISSA and RICK if the transactions were
25 legitimate. RICK and MELISSA stated, "Yes." In order to
26 purchase the four investment properties, MONSON signed
27 various documents at RICK and MELISSA's home in Natomas.
28 Both RICK and MELISSA would direct MONSON where to sign his
name on the various documents. MONSON informed the agents
he was always directed to sign the documents where the page
was highlighted. MONSON never signed any of the documents
at an escrow office. All of the paperwork was signed at the
RICK and MELISSA's residence. A notary was not always

1 present when MONSON signed documents. In total, MONSON was
2 paid \$40,000 for purchasing the four investment properties.
3 The money was paid to him via business checks by RICK. The
4 checks were deposited into MONSON's bank account held at
5 Golden One Credit Union. MONSON cannot remember what the
6 business name was listed on the check. MONSON used the
7 money to pay off his credit cards and he also gave some of
8 the money to his family members.

9 v. MONSON was never informed of the purchase price of
10 the investment properties, nor what he qualified for.
11 MONSON never viewed any of the investment properties before
12 purchasing them. MONSON also was never given any keys to the
13 properties. MONSON requested signed copies of the paperwork.
14 RICK and MELISSA promised he would receive them, but he was
15 never provided copies. Both MELISSA and RICK directed all
16 of MONSON's mail regarding the four properties to be sent to
17 their post office box.

18 vi. Shortly after acquiring the four investment
19 properties, MONSON started receiving calls from the lenders
20 indicating the payments were not being made on the
21 properties. MONSON subsequently contacted RICK. RICK
22 informed MONSON not to worry and not to call back the
23 lenders. MONSON called back RICK again and informed him he
24 was still getting calls from the lenders. RICK informed
25 MONSON a person named Aaqil Wadera, who was supposedly the
26 property manager on MONSON's four properties, ran off with
27 the money so the payments could not be made.

28 B. INTERVIEW OF MELISSA VILLEGAS

10. On January 18, 2008, your affiant along with SA
Sommercamp and DRE Sommers interviewed MELISSA. In
pertinent part, MELISSA stated the following:

i. MELISSA and her husband, RICK, are loan
officers for Landmark Realty. MELISSA informed the agents

1 she recognized the name JEREMY MONSON as Landmark Realty's
2 processor, Jason Leviro's, cousin. MELISSA indicated MONSON
3 approached her about purchasing investment properties and
4 asked if she would process the loans for him. MONSON stated
5 she was the loan officer on two properties that were
6 purchased by MONSON located at 3480 38th Street and 3727 La
7 Solidad Way, both located in Sacramento, California. Before
8 purchasing the two properties, MELISSA informed MONSON of
9 the terms of the loans, interest rate, and his monthly
10 mortgage payment. MELISSA originally met MONSON through
11 Leviro and MONSON had been to MELISSA's house on several
12 occasions visiting Leviro.

13 ii. MELISSA assumed the loan applications to
14 purchase the two properties were prepared by MONSON and
15 subsequently given to Leviro. MELISSA never spoke to MONSON
16 regarding the information contained on the loan
17 applications. MELISSA did review certain portions of the
18 loan applications to make sure they were filled out
19 correctly to include the date of birth, social security
20 number, and name. MELISSA indicated Leviro was responsible
21 for verifying the income section of the loan applications.
22 MELISSA indicated MONSON was able to qualify for the two
23 properties using "stated-income" loans. MELISSA informed
24 the agents a "stated-loan" allows individuals to inflate
25 their income as long as the individual's assets can support
26 their income. For example, if an individual earned \$5,000
27 per month, it was ok to list that person earned \$7,000 per
28 month.

29 iii. MELISSA was shown MONSON's loan application
30 to secure funding to purchase the property located at 3480
31 38th Street, Sacramento. MELISSA identified the signature
32 on page four of the application as hers. The space where
33 MELISSA signed her name is reserved for the broker who

1 interviews the borrower. MELISSA indicated MONSON occupied
2 the 38th Street property as his primary residence as
3 indicated on the loan application. MELISSA believed MONSON
4 purchased the property located at 3727 La Solidar Way as an
5 investment property. MELISSA also believed MONSON worked as
6 an account executive, but she cannot remember for what
7 company. MELISSA has never heard of the company name ARA
8 Investments. MELISSA informed the agents the only time she
9 had interaction with MONSON is when she was the loan officer
10 on MONSON's two properties. The agents questioned MELISSA
11 if she had assisted MONSON in acquiring any additional
12 properties. MELISSA stated, "No."

11 C. INTERVIEW OF MELISSA and RICK VILLEGAS

12 11. On February 27, 2008, your affiant along with SA
13 Sommercamp and DRE Sommers interviewed RICK. Also present
14 was RICK's wife, MELISSA. In pertinent part, RICK and
15 MELISSA stated the following:

16 i. From late 2005 to present, RICK has
17 worked for Landmark Realty as a loan originator.
18 RICKS' primary duties consist of originating loans and
19 finding the borrower the appropriate loan program.
20 RICK also quotes interest rates as well as discusses
21 the terms of the loan with the borrower.

22 ii. RICK met MONSON through Landmark's
23 former employee, Jason Leviro. Leviro was a loan
24 processor. MONSON and Leviro are cousins. RICK stated
25 in 2006, Leviro told him and his wife, MELISSA, that
26 MONSON wanted to become an investor since MONSON was
27 taking a real estate investment class.

28 iii. RICK and MELISSA denied that they
pitched an investment opportunity scheme to MONSON.
Both RICK and MELISSA also denied that they paid MONSON
any money for purchasing the four investment

1 properties. When asked if anyone gave them money to
2 give to MONSON, both RICK and MELISSA said "No". Both
3 RICK and MELISSA stated that MONSON signed final loan
4 documents at a title company and never at their
5 residence.

6 iv. RICK stated that MONSON gave his
7 personal information to Leviro. Both RICK and MELISSA
8 denied that MONSON provided them with any personal
9 information. They also denied that MONSON provided them
10 with his pay stub or W2. Furthermore, MONSON never
11 told them that he worked for UC Davis. MELISSA stated
12 she did not even know that Monson worked for UC Davis.

13 v. MELISSA and RICK were specifically asked
14 if they ever told MONSON the following:

15 ... [they] offered a program where
16 MONSON would use his credit to
17 purchase properties in his name
18 for one year. During the one
19 year, the properties would be
20 rented out. If the properties
21 could not be rented out, they
22 would be resold for a profit.
23 Both MELISSA and RICK VILLEGAS
24 informed MONSON he would be paid
25 \$10,000 per home that MONSON
26 placed in his name.

27 MELISSA and RICK stated that MONSON's statement was
28 untrue. They again denied that they ever told MONSON
about an investment program, or that they would pay him
\$10,000 for each property he purchased. RICK stated
that he never wrote MONSON a check nor was any money

1 given to him by someone else to give to MONSON. When
2 asked if MELISSA or RICK ever monetarily
3 compensated MONSON for purchasing the four real
4 properties or anything else, MELISSA stated, "No."
5 However, RICK stated that he once wrote a \$700 check to
6 MONSON in order to reimburse him for ultimate fighting
7 tickets at Arco Arena.

8 vi. MELISSA and RICK claimed that the MONSON
9 loan files were destroyed when their garage flooded.
10 However, they believed that they still had a copy of
11 each loan application on their computer.

12 V. GOLDEN ONE CREDIT UNION BANK RECORDS

13 12. Your affiant obtained the records of the
14 Golden One Credit Union checking account number 29XXX
15 (the last three digits of the account number is not
16 listed because the bank account is still active) and
17 savings account number 29XXX, both held in the name of
18 JEREMY K. MONSON and Patsy Y. Monson. These records
19 consisted of a signature card, bank statements, and
20 certain deposit items.

21 13. A review of the Golden One Credit Union bank
22 records for checking account number 29XXX and savings
23 account number 29XXX revealed the following deposits
24 into the bank accounts:

- 25 • On or about August 29, 2006, a deposit of
26 \$10,000 into the checking account - The deposit
27 was in the form of a Wells Fargo Bank Official
28 Check number 0030003106, pay to the order of
JEREMY K. MONSON - RE: 3915 4th Avenue;
- On or about September 28, 2006, a deposit of
\$5,000 into the savings account - The deposit
was in the form of a Wells Fargo Bank Official

1 Check number 0029203233, pay to the order of
2 JEREMY MONSAN (sic) - RE: 3727 La Solidad;

- 3 • On or about September 29, 2006, a deposit of
4 \$5,000 into the savings account - The deposit
5 was in the form of a Wells Fargo Bank Official
6 Check number 0029203232, pay to the order of
7 JEREMY MONSON - RE: 3727 LA Solidad;
- 8 • On or about October 3, 2006, a deposit of \$5,000
9 into the savings account - The deposit was in
10 the form of a Wells Fargo Bank Official Check
11 number 0010308730, pay to the order of JEREMY
12 MONSON; and
- 13 • On or about October 10, 2006, a deposit of
14 \$5,000 into the savings account - The deposit
15 was in the form of a Wells Fargo Bank Official
16 Check number 0010308731, pay to the order of
17 JEREMY MONSON.

18 14. According to Ann McConnaughey, who is an
19 investigator for Wells Fargo Bank, the above mentioned
20 Wells Fargo Bank Official Checks were purchased by
21 debiting the bank account belonging to the company
22 called Sheryl's LLC.

23 15. A review of the Chicago Title escrow records
24 for the real property purchases by MONSON located at
25 3480 38th Street, 3915 4th Avenue, 3727 La Solidad Way,
26 all located in Sacramento, California revealed that
27 Sheryl's LLC held title and was the seller in each of
28 the real property transactions. According to the
California Secretary of State's website, Sheryl's LLC
was formed on or about April 1, 2003, and the agent for
service of process is ROBERT MARTINSON. MARTINSON is
also under investigation relating to this scheme.

1 16. Lastly, a review of the Golden One Credit
2 Union bank records for savings account number 29XXX
3 revealed on or about December 14, 2006, a deposit of
4 \$4,120 was made into the bank account. A review of the
5 deposited item revealed the item consisted of a check
6 issued by MELISSA VILLEGAS dba West Coast Restoration
7 Consulting Services, LLC. The memo section of the
8 check stated, "3915 4th Ave - Reimbursement."

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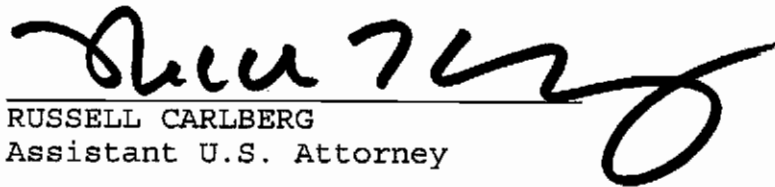
VI. CONCLUSION

1 17. As stated above during an interview with MELISSA
2 and RICK on or about February 27, 2008, when asked if
3 MELISSA or RICK ever monetarily compensated MONSON for
4 purchasing the four real properties or anything else -
5 MELISSA stated, "No." Therefore, there is probable cause to
6 believe MELISSA made a materially false and fraudulent
7 statement when she lied to federal agents about ever
8 compensating MONSON in violation of 18 U.S.C. § 1001.



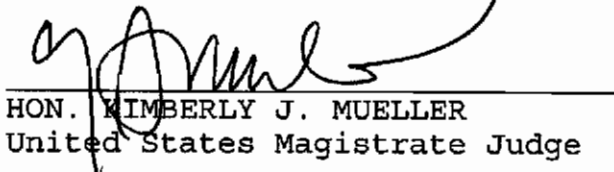
CHRISTOPHER S. FITZPATRICK
Special Agent
Internal Revenue Service -
Criminal Investigation

14 Reviewed and approved as to form



RUSSELL CARLBERG
Assistant U.S. Attorney

21 Subscribed and sworn to before
22 me this 17th day of June,
2008.



HON. KIMBERLY J. MUELLER
United States Magistrate Judge

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA

v.

MELISSA VILLEGAS

WARRANT FOR ARREST

390 Allaire Circle, Sacramento, CA 95835

CASE NUMBER:

208-MJ0205 KJM

YOU ARE HEREBY COMMANDED to arrest and bring him or her forthwith to the nearest magistrate to answer a(n)

Indictment Information X Complaint Order of court Violation Notice Probation Violation

charging him or her with (brief description of offenses)

willfully and knowingly making a materially false, fraudulent, fictitious, and fraudulent statement in a matter within the jurisdiction fo the United States,

in violation of Title 18, United States Code, Section(s) 1001(a)

Kimberly J. Mueller

United States Magistrate Judge

Name of Issuing Officer

Title of Issuing Officer

Signature of Issuing Officer

Sacramento, California

Date and Location

Bail fixed at

\$0 placed by

Kimberly J. Mueller

Name of Judicial Officer

RETURN

This warrant was received and executed with the arrest of the above-named defendant at

DATE RECEIVED	NAME AND TITLE OF ARRESTING OFFICER	SIGNATURE OF ARRESTING OFFICER
DATE OF ARREST		