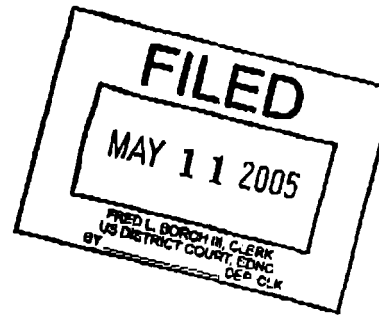


IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION



UNITED STATES OF AMERICA)

v.)

ISAAC LEE WOODS)

NO. 5:05-CR-131-1FL3

REGINA BAILEY WOODS)

NO. 5:05-CR-131-2FL3

WOODBAI INC.)
a/k/a "Unlimited Financial)
Resources")

NO. 5:05-CR-131-3FL3

U.F.R. INC.)
a/k/a "UFR Builders")

NO. 5:05-CR-131-4FL3

I N D I C T M E N T

The Grand Jury charges:

INTRODUCTION

The Defendants

1. As detailed below, defendants ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC. a/k/a "Unlimited Financial Resources", and U.F.R. INC. a/k/a "UFR Builders", and their co-conspirators, engaged in an extensive scheme to create fake mortgages and use these fake mortgages to defraud the government and investors out of more than one million dollars.

2. ISAAC LEE WOODS and wife REGINA BAILEY WOODS lived in Durham, North Carolina.

3. In late 1984, ISAAC LEE WOODS formed WOODBAI INC., a

North Carolina corporation. Based in Durham, WOODBAI, INC., also known as "Unlimited Financial Resources", was in the business of making mortgage loans. ISAAC LEE WOODS and REGINA BAILEY WOODS were the owners of WOODBAI INC., and both operated the business.

4. In early 1998, ISAAC LEE WOODS formed U.F.R. Inc., a second Durham-based North Carolina corporation. U.F.R. Inc., also known as "UFR Builders", was in the construction business. Both ISAAC LEE WOODS and REGINA BAILEY WOODS operated this business as well.

Ginnie Mae

5. The Government National Mortgage Association (commonly referred to as "Ginnie Mae") is a government-owned corporation within the United States Department of Housing and Urban Development ("HUD"). Ginnie Mae facilitates home ownership by low- and moderate-income households by guaranteeing third-party investments in mortgages made by mortgage lenders.

STATUTORY ALLEGATIONS

COUNT ONE

[Conspiracy (18 U.S.C. § 371)]

1. Beginning in or about September, 1998, and continuing through the date of this Indictment, in the Eastern District of North Carolina and elsewhere, defendants ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC., a/k/a "UFR Builders", and others known and unknown to the Grand Jury, did knowingly and unlawfully combine, conspire,

agree, and confederate with each other to commit offenses against the United States, specifically:

a. the transfer and use of the means of identification of another person without lawful authority, with the intent to commit, and to aid and abet, wire fraud, in violation of Title 18, United States Code, Section 1343, and false entries to Ginnie Mae and HUD, in violation of Title 18, United States Code, Section 1006, all in violation of Title 18, United States Code 1028(a)(7).

b. the use of wire communications in interstate commerce for the purpose of executing a scheme and artifice to defraud, and for obtaining money by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1343;

c. the making of materially false entries to Ginnie Mae and HUD by officers, agents, and employees of a lending corporation, in violation of Title 18, United States Code, Section 1006; and

✓
h d. the making of materially false statements in a matter within the jurisdiction of the executive branch of the Government of the United States, in violation of Title 18, United States Code, Section 1001.

Overt Acts

2. In furtherance of the conspiracy and in order to effect its unlawful objectives, ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC., and U.F.R. INC., and others, committed and caused to

be committed overt acts in the Eastern District of North Carolina and elsewhere, including, but not limited to, the following:

a. On or about September 28, 1998, ISAAC LEE WOODS and REGINA BAILEY WOODS, and others, completed and submitted a Form HUD-11701/92001 application to Ginnie Mae on behalf of WOODBAI INC. The application was entitled "Application for Approval: FHA Lender and/or Ginnie Mae Mortgage-Backed Securities Issuer".

b. On or about July 12, 1999, ISAAC LEE WOODS submitted false and misleading information to Ginnie Mae on behalf of WOODBAI INC.

c. On or about May 11, 2000, ISAAC LEE WOODS used the name and social security number of another individual, without that individual's permission, to fraudulently obtain a Federal Housing Administration case number.

d. On or about May 19, 2000, this and other fraudulently obtained case numbers, along with additional false and misleading information regarding purported mortgages, were submitted to Ginnie Mae on behalf of WOODBAI INC.

e. On or about May 19, 2000, ISAAC LEE WOODS and REGINA BAILEY WOODS provided to Centura Bank in Rocky Mount, North Carolina, numerous fake mortgage documents.

f. On or about May 23, 2000, Centura Bank in Rocky Mount, North Carolina, acting as a document custodian for Ginnie Mae, was misled into certifying fake mortgages submitted by WOODBAI

INC.

g. On May 25, 2000, \$1,014,573.89 was wired to Centura Bank in Rocky Mount and credited to an account held by WOODBAI INC. All in violation of Title 18, United States Code, Section 371.

COUNT TWO

[Wire Fraud (18 U.S.C. §§ 1343 and 2)]

On or about May 25, 2000, within the Eastern District of North Carolina and elsewhere, defendants ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC., a/k/a "UFR Builders", and others known and unknown to the Grand Jury, aiding and abetting each other, having devised a scheme and artifice to defraud Ginnie Mae, HUD, and investors, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did for the purpose of executing such scheme and artifice cause to be transmitted by means of wire communication in interstate commerce writings, signs, signals, pictures, and sounds, specifically a wire transfer of \$1,014,573.89 from an investor's bank in Delaware to Centura bank in Rocky Mount, North Carolina, where it was credited to account no. 070 011-076-1, held by WOODBAI INC.

COUNTS THREE THROUGH FOURTEEN

[Wire Fraud (18 U.S.C. §§ 1343 and 2)]

On or about the dates set forth below, each date constituting a separate count of this Indictment, in the Eastern District of North Carolina and elsewhere, defendants ISAAC LEE WOODS, REGINA

BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC. a/k/a "UFR Builders", and others known and unknown to the Grand Jury, aiding and abetting each other, having devised a scheme and artifice to defraud Ginnie Mae, HUD, and investors, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did for the purpose of executing such scheme and artifice transmit and cause to be transmitted by means of wire communication in interstate commerce writings, signs, signals, pictures, and sounds, specifically, the following purported "pass through" mortgage payments wired from WOODBAI INC.'s, bank in Rocky Mount, North Carolina to a processing bank in New York:

Count	Date	Amount
THREE	June 15, 2000	\$7,633.73
FOUR	July 14, 2000	\$7,633.96
FIVE	August 15, 2000	\$7,634.19
SIX	September 15, 2000	\$7,634.42
SEVEN	October 16, 2000	\$3,634.65
EIGHT	October 17, 2000	\$4,000.00
NINE	November 15, 2000	\$7,634.89
TEN	December 15, 2000	\$7,635.12
ELEVEN	January 16, 2001	\$7,635.37
TWELVE	February 15, 2001	\$7,635.60
THIRTEEN	March 15, 2001	\$7,635.85
FOURTEEN	April 16, 2001	\$7,636.09

Each count in the above table constituting a separate

violation of Title 18, United States Code, Sections 1343 and 2.

COUNT FIFTEEN

[False Entries to Ginnie Mae and HUD (18 U.S.C. §§ 1006 and 2)]

On or about May 23, 2000, in the Eastern District of North Carolina and elsewhere, defendants ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC., a/k/a "UFR Builders", and others known and unknown to the Grand Jury, aiding and abetting each other, and being officers, agents, and employees of a lending corporation authorized and acting under the laws of the United States, and connected in any capacity with Ginnie Mae and HUD, with intent to defraud Ginnie Mae and HUD, knowingly and willfully made and caused to be made materially false entries in a book, report, and statement of Ginnie Mae and HUD, that is, the Custodian Initial Certification on Form 11706.

All in violation of Title 18, United States Code, Sections 1006 and 2.

COUNTS SIXTEEN THROUGH TWENTY-SIX

[False HUD-11710-D Forms (18 U.S.C. §§ 1001 and 2)]

On or about the dates set forth below, each date constituting a separate count of this Indictment, in the Eastern District of North Carolina and elsewhere, defendants ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC., a/k/a "UFR Builders", and others known and unknown to the Grand Jury, aiding and abetting each other, did knowingly

and willfully make materially false, fictitious, and fraudulent statements and representations in a matter within the jurisdiction of the executive branch of the Government of the United States, that is, the submission of HUD-11710-D forms to an agent of Ginnie Mae and HUD in Raleigh, North Carolina.

Count	Date	Reporting Month
SIXTEEN	June 15, 2000	May, 2000
SEVENTEEN	July 6, 2000	June, 2000
EIGHTEEN	August 8, 2000	July, 2000
NINETEEN	Sept. 12, 2000	August, 2000
TWENTY	October 12, 2000	September, 2000
TWENTY-ONE	November 13, 2000	October, 2000
TWENTY-TWO	December 12, 2000	November, 2000
TWENTY-THREE	January 12, 2001	December, 2000
TWENTY-FOUR	February 14, 2001	January, 2001
TWENTY-FIVE	March 14, 2001	February, 2001
TWENTY-SIX	April 11, 2001	March, 2001

Each count in the above table constituting a separate violation of Title 18, United States Code, Sections 1001 and 2.

COUNT TWENTY-SEVEN

[Conspiracy to Commit Money Laundering (18 U.S.C. § 1956(h))]

Beginning in or about September, 1998, and continuing through the date of this Indictment, in the Eastern District of North Carolina and elsewhere, defendants ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC., a/k/a "UFR Builders" did knowingly and unlawfully

combine, conspire, agree, and confederate with each other to commit offenses against the United States, that is, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, to conduct, and attempt to conduct, financial transactions affecting interstate commerce which, in fact, involved the proceeds of specified unlawful activity, namely wire fraud in violation of Title 18, United States Code, Section 1343, with the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

Manner and Means of the Conspiracy

ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC., a/k/a "UFR Builders" transferred proceeds of their fraudulent scheme out of the bank account containing such proceeds, including applying the proceeds to construction costs and to purported "pass through" mortgage payments to investors, to promote the carrying on of the scheme.

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS TWENTY-EIGHT THROUGH THIRTY-SIX

[Money Laundering (18 U.S.C. § 1956(a)(1)(A)(i) and 2)]

On or about the dates set forth below, each date constituting a separate count of this Indictment, within the Eastern District of North Carolina and elsewhere, defendants ISAAC LEE WOODS, REGINA

BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC., a/k/a "UFR Builders", aiding and abetting each other, knowing that the property involved in the below financial transactions represented the proceeds of some form of unlawful activity, did knowingly conduct, and attempt to conduct, financial transactions affecting interstate commerce, specifically, payments from the WOODBAI INC. Centura bank account no. 070 011-076-1, which transactions, in fact, involved the proceeds of specified unlawful activity, namely wire fraud in violation of Title 18, United States Code, Section 1343, with the intent to promote the carrying on of specified unlawful activity.

Count	Date	Amount	Payee
TWENTY-EIGHT	May 26, 2000	\$10,000	UFR Builders
TWENTY-NINE	June 5, 2000	\$78,894	Modular Structures of PA, Inc.
THIRTY	June 7, 2000	\$10,000	UFR Builders
THIRTY-ONE	June 7, 2000	\$78,894	Modular Structures of PA, Inc.
THIRTY-TWO	June 9, 2000	\$5,000	UFR Builders
THIRTY-THREE	June 12, 2000	\$77,694	Modular Structures of PA, Inc.
THIRTY-FOUR	June 30, 2000	\$5,000	UFR Builders
THIRTY-FIVE	July 18, 2000	\$8,500	WOODBAI INC.
THIRTY-SIX	October 19, 2000	\$12,450	WOODBAI INC.

Each count in the above table constituting a separate violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 2.

FORFEITURE ALLEGATIONS

Defendants ISAAC LEE WOODS, REGINA BAILEY WOODS, WOODBAI INC., a/k/a "Unlimited Financial Resources", and U.F.R. INC., a/k/a "UFR Builders" are given notice that, under the provisions of Title 18, United States Code, Section 981; Title 18, United States Code, Section 982; and Title 28, United States Code, Section 2461, all of their interest in all property specified herein is subject to forfeiture.

As a result of the foregoing offenses in this indictment, the defendants shall forfeit to the United States (i) any and all property constituting, or derived from, any proceeds a defendant obtained directly or indirectly as a result of the offenses; and (ii) any and all property used or intended to be used in any manner or part to commit and to facilitate the commission of the offenses, any and all property involved in such offenses, and any property traceable to such property.

The forfeitable property includes, but is not limited to:

- (1) real property;
- (2) personal property; and
- (3) the gross proceeds of the defendants' illegal acts.

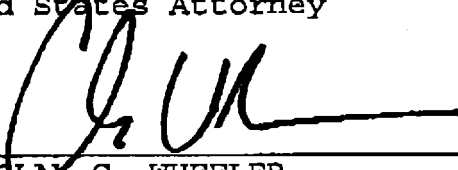
If any of the above-described forfeitable property, as a result of any act or omission of a defendant (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third person; (c) has been placed


beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

A TRUE BILL

5-11-05
DATE

FRANK D. WHITNEY
United States Attorney

BY: 
CLAY C. WHEELER
Assistant United States Attorney
Criminal Division

I certify the foregoing to be a true and correct copy of the original.
Fred L. Borch III, Clerk
United States District Court
Eastern District of North Carolina
By 
Deputy Clerk