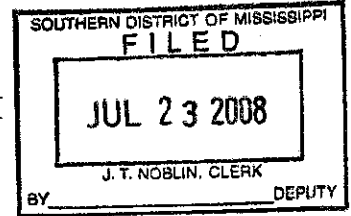


IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
JACKSON DIVISION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. *3:08cv109 DEB-JOS*

WARREN CLIFTON PIERCE

18 U.S.C. § 371  
18 U.S.C. § 1343  
18 U.S.C. § 1956(h)  
18 U.S.C. § 1956 (a)(1)(A)(i)  
18 U.S.C. § 1519  
18 U.S.C. § 1512(c)(1)

**The Grand Jury charges:**

At all times relevant to this indictment:

1. During the time frames charged in this indictment, defendant **WARREN CLIFTON PIERCE** (hereinafter "**PIERCE**") was a mortgage broker engaged in the business of obtaining loans for borrowers with various lenders for a fee.
2. From in or about 1998 continuing through in or about December, 2001, defendant **PIERCE** was working as a mortgage broker in Hinds and Rankin Counties in the Jackson Division of the Southern District of Mississippi and elsewhere, doing business as Raintree County Marketing Company (hereafter "**Raintree**").
3. From in or about October, 2001, continuing through the date of this indictment, defendant **PIERCE** was working as a mortgage broker in Hinds and Rankin Counties in the Jackson Division of the Southern District of Mississippi and elsewhere, doing business as Integrity Mortgage, Incorporated (hereafter "**Integrity Mortgage**").

COUNT 1

4. Beginning in or about July, 2003, and continuing through in or about March, 2007, in Rankin County in the Jackson Division of the Southern District of Mississippi, and elsewhere, the defendant, **WARREN CLIFTON PIERCE**, did knowingly and willfully conspire, confederate, and agree together with others known and unknown to the Grand Jury, to commit one or more of the following offenses against the United States:

- A. To knowingly devise a scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme or artifice, and attempting to do so, did place or cause to be placed in any post office or authorized depository for mail matter, documents to be sent or delivered by the Postal Service, or deposit or cause to be deposited documents to be sent or delivered by any private or commercial interstate carrier, in violation of Section 1341, Title 18, United States Code.
- B. To knowingly devise a scheme or artifice or intend to devise a scheme or artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations, or promises and, for the purpose of executing the scheme, did transmit or cause to be transmitted by means of wire or radio communications in interstate commerce, any writings, signals or sounds, in violation of Section 1343, Title 18, United States Code.

5. It was part of the conspiracy that defendant **PIERCE** and others would broker mortgages for a fee by obtaining new mortgages for borrowers through various lenders.

6. It was part of the conspiracy that defendant **PIERCE** and others would obtain basic information from the prospective borrowers and thereafter match them with mortgage lenders by preparing the loan application and supporting documents for each borrower and submitting the completed loan application package to a lender, all for a fee. No fee was paid to defendant **PIERCE** unless a loan was successfully obtained for the prospective borrower.

7. It was part of the conspiracy that in order to qualify the borrower for the mortgage, defendant **PIERCE** or others acting at his direction, would enter false information onto the loan application forms in an effort to induce the lender to make the loan. The false information typically included, but was not limited to, false representations that the borrower had requisite funds on deposit available for the down payment, as well as false representations regarding a borrower's income.

8. It was part of the conspiracy that defendant **PIERCE** would also make or cause to be made false entries on loan applications consistent with the false documents submitted to the lenders to obtain the loans, including false entries on HUD-1 Settlement Statements showing that the borrower had paid earnest money or cash at the closing of the loan when no such funds were accessible to or paid by the borrower. By falsely and fraudulently making it appear that certain buyers would provide cash at closing, defendant **PIERCE** created the appearance of qualified and secured mortgages, thus making the mortgages more marketable.

9. It was a part of the conspiracy that defendant **PIERCE** and others would prepare false and fictitious documents to support the false information contained on the loan application and to insure that lenders would make mortgage loans to prospective borrowers. These documents included, but were not limited to, false verification of deposit ("VOD") documents, Forms W-2, false verification of income ("VOI") documents, false verification of employment ("VOE") documents, false verification of rent ("VOR") documents, and false documents verifying a borrower's income and liabilities.

10. To accomplish the purposes of the conspiracy, the false and fictitious documents, along with the loan application containing false information, would be included in each loan

application packet submitted by defendant **PIERCE** and others to potential lenders by means of the United States mails, private and commercial carriers and interstate wires, either by means of facsimiles or by a computer emailing system or by causing funds to be wire transferred to financial institutions.

11. It was further a part of the conspiracy that from July, 2003, through March 2007, defendant **PIERCE** and others successfully obtained fraudulent mortgage loans totaling over \$500,000.00 by creating false documentation and making false entries on documents submitted to the lenders to obtain the loans.

In furtherance of the unlawful conspiracy and in order to accomplish the objectives thereof, the following overt acts, among others, were committed:

12. In or about October, 2001, defendant **PIERCE** incorporated Integrity Mortgage, Inc., for the purpose of engaging in the business of brokering mortgage loans.

13. On or about July 31, 2003, defendant **PIERCE** caused false "VOI" documents and false "VOR" documents to be transmitted to a lender, falsely verifying income and rental history in the name of Borrower #1 for the purpose of obtaining a mortgage loan of approximately \$145,800.00 for Borrower #1. From the fraudulently obtained loan proceeds, Integrity Mortgage received approximately \$4,284.00.

14. On or about October 10, 2003, defendant **PIERCE** caused a false loan application to be transmitted to a lender, falsely representing available cash on deposit by Borrower #2, for the purpose of obtaining a mortgage loan of approximately \$58,500.00 for Borrower #2. From the fraudulently obtained loan proceeds, Integrity Mortgage received approximately \$4,075.50.

15. On or about December 1, 2003, defendant **PIERCE** caused a false and fictitious

loan application to be transmitted to a lender, falsely representing available cash on deposit by Borrower #3, for the purpose of obtaining a mortgage loan of approximately \$71,550.00 for Borrower #3. From the fraudulently obtained loan proceeds, Integrity Mortgage received approximately \$2,525.00.

16. On or about April 13, 2004, defendant **PIERCE** caused a loan application packet to be transmitted to a lender, falsely representing that Borrower #4 had provided cash for down payment that the loan closing for the purpose of obtaining a mortgage loan of approximately \$55,200.00 for Borrower #4. From the fraudulently obtained loan proceeds, Integrity Mortgage received approximately \$2,548.00.

17. On or about April 13, 2004, defendant **PIERCE** caused false "VOI" documents to be transmitted to a lender, falsely verifying income in the name of Borrower #5 for the purpose of obtaining a mortgage loan of approximately \$99,450.00 for Borrower #5. From the fraudulently obtained loan proceeds, Integrity Mortgage received approximately \$3,338.50.

18. On or about May 17, 2004, defendant **PIERCE** caused a false loan application, false "VOD" documents, and false "VOI" documents to be transmitted to a lender, falsely verifying income in the name of Borrower #6 for the purpose of obtaining a mortgage loan of approximately \$58,500.00 for Borrower #6. From the fraudulently obtained loan proceeds, Integrity Mortgage received approximately \$3,265.00.

19. On or about February 27, 2007, defendant **PIERCE** caused a fraudulent HUD-1 Settlement Statement and an official check to be transmitted to a lender for Borrower #7, falsely representing a cash down payment to have been paid by Borrower #7 for the purpose of obtaining a mortgage loan of approximately \$58,650.00. From the fraudulently obtained loan proceeds,

Integrity Mortgage received approximately \$2,851.50.

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

COUNTS 2 - 8

20. The allegations contained in paragraphs 1-3 and 5-19 of this indictment are hereby re-alleged and incorporated herein as if fully set forth in this paragraph as constituting and describing the scheme and artifice to defraud charged in Counts 2 through 8.

21. Beginning on or about July, 2003, and continuing through in or about March 2007, in Rankin County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant, **WARREN CLIFTON PIERCE**, aided and abetted by others known and unknown to the Grand Jury, knowingly and intentionally devised, intended to devise and carried out and attempted to carry out a scheme to defraud mortgage loan borrowers and lenders and to obtain money by materially false and fraudulent pretenses, representations and promises.

22. It was a part of the scheme that from in or about July, 2003, through in or about March 2007, defendant **PIERCE** and others successfully obtained approximately 7 mortgage loans totaling over \$500,000.00 by creating false documentation and making false entries on documents submitted to the lenders to obtain the loans. Defendant **PIERCE** used interstate wires, either by means of facsimiles or by a computer emailing system or by causing funds to be wire transferred to financial institutions, to accomplish the purposes of the scheme.

23. For the purpose of executing the scheme and in furtherance of the scheme, defendant **PIERCE**, aided and abetted by others known and unknown to the grand jury, did cause to be transmitted by means of wire or radio communications in interstate commerce, certain writings, signals or sounds. These wire transmissions in interstate commerce consisted of

funds wire transferred into various financial institutions located in the Jackson Division of the Southern District of Mississippi, from places outside of Mississippi, on or about the dates set forth below:

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION</u>
2	07/31/2003	approximately \$145,800.00 wire transferred into Trustmark National Bank Account No. XXX-XXX-5580 to fund a mortgage loan for Borrower #1.
3	10/10/2003	approximately \$58,500.00 wire transferred into AmSouth Bank Account No. XXX-XXX-7020 to fund a mortgage loan for Borrower #2.
4.	12/01/2003	approximately \$71,550.00 wire transferred into AmSouth Bank Account No. XXX-XXX-7020 to fund a mortgage loan for Borrower #3.
5.	04/13/2004	approximately \$55,200.00 wire transferred into Trustmark National Bank Account No. XXX-XXX-5215 to fund a mortgage loan for Borrower #4.
6.	04/13/2004	approximately \$99,450.00 wire transferred into Merchant & Farmers Bank Account No. XXX-XXX-010 to fund a mortgage loan for Borrower #5.
7.	05/17/2004	approximately \$58,349.00 wire transferred into AmSouth Bank Account No. XXX-XXX-7020 to fund a mortgage loan for Borrower #6.
8.	02/23/2007	approximately \$58,650.00 wire transferred from a lender in Troy, Michigan, to a closing agent in Jackson, Mississippi, to fund a mortgage loan for Borrower #7.

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

COUNT 9

24. The allegations contained in paragraphs 1-3 and 5-19, and 21-23 of this indictment are hereby realleged and incorporated herein as if fully set forth in this paragraph.

25. Beginning in or about July, 2003, and continuing through March, 2007, in Rankin County, in the Jackson Division of the Southern District of Mississippi and elsewhere, the defendant, **WARREN CLIFTON PIERCE**, and others known and unknown to the Grand Jury did knowingly conspire with each other and others to commit the following offenses against the United States:

to conduct and attempt to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud, with the intent to promote the carrying on of such specified unlawful activity, in violation of Section 1956(a)(1)(A)(i), Title 18, United States Code;

26. It was the object of the conspiracy for the co-conspirators to use lenders' and borrowers' money, which was derived from wire fraud, to conduct various financial transactions which would enrich themselves to the detriment of the lenders and borrowers by converting some of the proceeds of mortgage loans to their own use and benefit.

27. It was a part of the conspiracy that defendant **PIERCE** would receive a portion of the mortgage loan proceeds disbursed to Integrity Mortgage, representing mortgage broker fees for each of the fraudulently obtained loans to induce defendant **PIERCE** and others to continue their participation in the conspiracy.

In furtherance of the unlawful money laundering conspiracy and in order to accomplish the objectives thereof, the following acts, among others, were committed:

28. On or about July 31, 2003, defendant **PIERCE** caused check #1363 for approximately \$4,284.00 to be issued to Integrity Mortgage from Trustmark National Bank Account No. XXX-XXX-5580 from the proceeds of a fraudulent mortgage loan to Borrower #1.

29. On or about July 31, 2003, defendant **PIERCE** caused a deposit for the benefit of Integrity Mortgage Trustmark Bank Account No. XXX-XXX-4816 for approximately \$4,284.00 from the proceeds of a fraudulent mortgage loan to Borrower #1.

30. On or about July 31, 2003, defendant **PIERCE** caused check #787 to be issued for approximately \$1,976.00 from Integrity Mortgage Trustmark Bank Account No. XXX-XXX-4816 for the purpose of payment of loan originator commissions and fees out of the proceeds of a fraudulent mortgage loan to Borrower #1.

31. On or about September 19, 2003, defendant **PIERCE** caused check #856 to be issued for approximately \$800.00 from Integrity Mortgage Trustmark Bank Account No. XXX-XXX-4816 for the purpose of a loan payment for Borrower #1.

32. On or about October 30, 2003, defendant **PIERCE** caused check #2075 for approximately \$2,372.50 to be issued to Integrity Mortgage from AmSouth Bank Account No. XXX-XXX-7020 from the proceeds of a fraudulent mortgage loan to Borrower #2.

33. On or about October 30, 2003, defendant **PIERCE** caused a deposit for the benefit of Integrity Mortgage Trustmark Bank Account No. XXX-XXX-4816 for approximately \$2,372.50 out of the proceeds of a fraudulent mortgage loan to Borrower #2.

34. On or about October 30, 2003, defendant **PIERCE** caused the check #881 to be issued for approximately \$1,023.75 from Integrity Mortgage Trustmark Bank Account No. XXX-XXX-4816 for the purpose of payment of loan originator commissions and fees out of the proceeds of a fraudulent mortgage loan to Borrower #2.

35. On or about May 18, 2004, defendant **PIERCE** caused check #3562 to be issued for approximately \$3,265.00 to Integrity Mortgage from AmSouth Bank Account No. XXX-

XXX-7020 out of the proceeds of a fraudulent mortgage loan to Borrower #6.

36. On or about May 18, 2004, defendant **PIERCE** caused a deposit for the benefit of Integrity Mortgage Trustmark Bank Account No. XXX-XXX-4816 for approximately \$3,265.00 out of the proceeds of a fraudulent mortgage loan to Borrower #6.

37. On or about May 18, 2004, defendant **PIERCE** caused check #1294 to be issued for approximately \$800.00 from Integrity Mortgage Trustmark Bank Account No. XXX-XXX-4816 for the purpose of payment of loan originator commissions and fees out of the proceeds of a fraudulent mortgage loan to Borrower #6.

38. On or about May 18, 2004, defendant **PIERCE** caused check #1295 to be issued for approximately \$808.75 from Integrity Mortgage Trustmark Bank Account No. XXX-XXX-4816 for the purpose of payment of loan originator commissions and fees out of the proceeds of a fraudulent mortgage loan to Borrower #6.

39. On or about February 28, 2007, defendant **PIERCE** caused check #2791 to be issued to Warren Pierce for approximately \$6,727.12 from First Commercial Bank Account No. XXX-3603 by the seller of the property from the seller's proceeds from a fraudulent mortgage loan to Borrower #7.

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

#### COUNTS 10-11

40. The allegations contained in paragraphs 1-3, 5-19, 21-23 and 26-39 of this indictment are hereby realleged and incorporated herein as constituting and describing the scheme and artifice to defraud from which the proceeds to participate in these money laundering transactions were derived.

41. On or about the dates set forth below, in Rankin county, in the Jackson Division of the Southern District of Mississippi and elsewhere, defendant, **WARREN CLIFTON PIERCE**, together with others known and unknown to the Grand Jury, did knowingly conduct and attempt to conduct the following financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, that is, mail and wire fraud, with the intent to promote the carrying on of such specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions, that is funds, represented the proceeds of some form of unlawful activity :

<u>COUNT</u>	<u>DATE</u>	<u>BORROWER #</u>	<u>APPROX. AMOUNT</u>
10	09/19/2003	1	\$ 800.00
11	02/28/2007	7	\$6,727.12

All in violation of Sections 1956(a)(1)(A)(i) and 2, Title 18, United States Code.

COUNT 12

42. The allegations contained in paragraphs 1-3, 5-19, 21-23, 26-39 and 41 of this indictment are hereby realleged and incorporated herein as if fully set forth in this paragraph.

43. On or about and between August 10, 2005, and January 19, 2006, in Rankin County in the Jackson Division of the Southern District of Mississippi, and elsewhere, the defendant, **WARREN CLIFTON PIERCE**, did knowingly conceal and cover up a record and document, to wit: Raintree mortgage loan files and Integrity Mortgage loan files, or portions thereof, with the intent to impede, obstruct, and influence the investigation by the Internal Revenue Service and the Federal Bureau of Investigation of a mortgage fraud matter, and in

relation to or in contemplation of such matter, in violation of Section 1519, Title 18, United States Code.

COUNT 13

44. The allegations contained in paragraphs 1-3, 5-19, 21-23, 26-39, 41 and 43 of this indictment are hereby realleged and incorporated herein as if fully set forth in this paragraph.

45. On or about and between November 28, 2005, and January 19, 2006, in Rankin County in the Jackson Division of the Southern District of Mississippi, and elsewhere, the defendant, **WARREN CLIFTON PIERCE**, did corruptly conceal and attempt to conceal a record and document with the intent to impair the availability of said records and documents for use in an official proceeding, to wit: Raintree mortgage loan files and Integrity Mortgage loan files further identified by a federal grand jury subpoena for the production of documents issued to Integrity Mortgage, Inc., in violation of Section 1512(c)(1), Title 18, United States Code.

NOTICE OF FORFEITURE

46. As a result of the offenses alleged in Counts 1 through 12, the defendant, **WARREN CLIFTON PIERCE**, shall forfeit to the United States all property, real and personal, involved in the aforesaid offenses and all property traceable to such property, and any and all property constituting, or derived from, any proceeds obtained, directly or indirectly, as a result of such violations, including but not limited to:

a. Approximately **\$547,650.00** in United States Currency and all interest and proceeds thereto, in that such sum in aggregate is property which was involved in the aforesaid offenses or is traceable to such property.

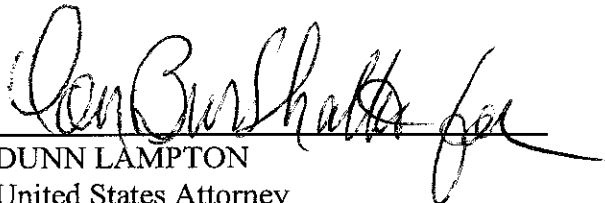
b. If any of the property described above as being subject to forfeiture, as a result of

any act or omission of any defendant –

- (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 divided without difficulty;

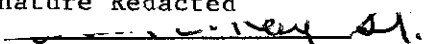
then it is the intent of the United States, pursuant to Section 853(p), Title 21, United States Code, to seek a judgment of forfeiture of any other property of the defendant up to the value of the property described in this indictment or any bill of particulars supporting it.

All pursuant to Sections 981(a)(1)(C) and 982(a)(1), Title 18, United States Code, and Section 2461, Title 28, United States Code.

  
DUNN LAMPTON  
United States Attorney

A TRUE BILL:

s/ Signature Redacted

  
Foreperson of the Grand Jury

CRIMINAL CASE COVER SHEET

U.S. District Court  
PLACE OF OFFENSE:

3:0802-119 DUB-JCS

CITY: JACKSON  
COUNTY: RANKIN

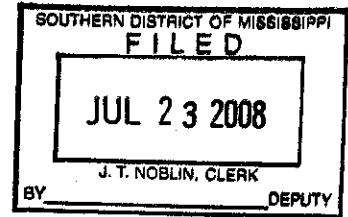
RELATED CASE INFORMATION:  
SUPERSEDING INDICTMENT \_\_\_\_\_ DOCKET # \_\_\_\_\_  
SAME DEFENDANT \_\_\_\_\_ NEW DEFENDANT \_\_\_\_\_  
MAGISTRATE JUDGE CASE NUMBER \_\_\_\_\_  
SEARCH WARRANT CASE NUMBER \_\_\_\_\_  
R 20/ R 40 FROM DISTRICT OF \_\_\_\_\_

DEFENDANT INFORMATION:

JUVENILE: YES  NO   
MATTER TO BE SEALED: YES  NO

NAME/ALIAS: WARREN CLIFTON PIERCE

SEX M RACE \_\_\_\_\_ NATIONALITY: USA



U.S. ATTORNEY INFORMATION:

AUSA CARLA J. CLARK BAR # 9490

INTERPRETER: YES  NO  LIST LANGUAGE AND/OR DIALECT: N/A

LOCATION STATUS: ARREST DATE \_\_\_\_\_

ALREADY IN FEDERAL CUSTODY AS OF \_\_\_\_\_  
ALREADY IN STATE CUSTODY \_\_\_\_\_  
ON PRETRIAL RELEASE \_\_\_\_\_

U.S.C. CITATIONS

TOTAL # OF COUNTS: 13 PETTY \_\_\_\_\_ MISDEMEANOR \_\_\_\_\_ FELONY

(CLERK'S OFFICE USE ONLY)	INDEX KEY/CODE	DESCRIPTION OF OFFENSE CHARGED	COUNT(S)
Set 1 18:371.F	18 U.S.C. 371	Conspiracy to commit bank fraud	1
Set 2 18:1343.F	18 U.S.C. 1343	Fraud by Wire, Radio or Television	2-8
Set 3 18:1956-4700.F	18 U.S.C. 1956(h)	Money Laundering - Postal, Interstate Wire, Radio, etc.	9
Set 4 18:1956-4999.F	18 U.S.C. 1956(a)(1)(A)(i)	Money Laundering-Fraud Other	10-11
Set 5 18:1519.F	18 U.S.C. 1519	Destruction, Alteration or Falsification of Records in Federal Investigation	12
Set 6 18:1512C.F	18 U.S.C. 1512(c)(1)	Tamper with Witness, Victim or Informant	13

Date: 7/22/2008

SIGNATURE OF AUSA: *Carla J. Clark*