

1. That CHRISTOPHER A. UPCHURCH, hereinafter referred to as "UPCHURCH," was a general contractor who did residential construction under the name of Inline Construction, LLC, located in Nampa, Idaho.

2. That BARBARA L. COBOS, hereinafter referred to as "COBOS," was a loan officer at the Eagle branch of Zions First National Bank (hereinafter referred to as "Zions Bank") who, between March 2005 and March 2006, received kickbacks of approximately \$125,000 from UPCHURCH in order to ensure funding by Zions Bank on fraudulent residential construction loans.

3. That the deposits of Zions Bank were insured by the Federal Deposit Insurance Corporation.

4. That NICHOLAS R. GOSSI, hereinafter referred to as "GOSSI," was employed as a bank employee and later as a mortgage broker and received finder fees from UPCHURCH through Inline Construction, LLC, to locate straw borrowers, so UPCHURCH could use their identities to obtain fraudulent residential construction loans.

5. That NICHOLAS R. COATS, hereinafter referred to as "COATS," was employed as a real estate agent and, between January 2005 and April 2005, received approximately \$49,500 in finder fees from UPCHURCH through Inline Construction, LLC, to locate straw borrowers, so that UPCHURCH could use their identities to obtain fraudulent residential construction loans.

6. That MAX REICH, hereinafter referred to as "REICH," received approximately \$67,900 in finder fees from UPCHURCH through Inline Construction, LLC, to locate straw borrowers, so UPCHURCH could use their identities to obtain fraudulent residential construction loans.

B. Scheme and Artifice to Defraud

7. That from on or about October 2004, continuing to on or about November 2005, in the District of Idaho, the defendant, CHRISTOPHER A. UPCHURCH devised and intended to devise a scheme and artifice to defraud as to material matters and to obtain money and property by means of material false and fraudulent pretenses, representations and promises to Zions Bank;

8. It was part of the scheme that UPCHURCH falsely and fraudulently paid COBOS, a loan officer at Zions Bank, kickbacks of approximately \$125,000 to ensure that fraudulent residential construction loans would be approved and funded by Zions Bank.

9. It was further part of the scheme that UPCHURCH paid COBOS said kickbacks drawn on a separate business entity to give the appearance that said payments were legitimate in nature.

10. It was further part of the scheme that UPCHURCH paid finder fees to GOSSI, COATS and REICH to locate and identify straw borrowers who appeared on the residential construction loan application as the borrower for said loan.

11. The residential loan application falsely and fraudulently represented said straw borrower was constructing a residence as an "owner-occupied residence" when, in truth and in fact, UPCHURCH used the identity of the straw borrower to obtain the loan proceeds from Zions Bank, and the straw borrower had no intent to occupy said residence.

12. It was further part of the scheme that UPCHURCH paid straw borrowers kickbacks from the loan proceeds so that UPCHURCH could use their identities to receive proceeds from the fraudulent residential construction loan scheme.

13. It was further part of the scheme that false and fraudulent loan applications were submitted to Zions Bank wherein said straw borrowers appeared to have sufficient credit worthiness

to support said loans when, in truth and in fact, said straw borrowers did not have the financial ability nor the intent to repay the monies owed on said residential construction loans.

14. It was further part of the scheme that UPCHURCH and others forged the signatures of straw borrowers and created false loan documentation to support the fraudulent residential construction loans.

15. It was further part of the scheme that the fraudulent residential loan applications for straw borrowers were not reviewed, nor were they approved, by supervisory officials at Zions Bank.

16. It was further part of the scheme that at the loan closing of the fraudulent residential construction loans UPCHURCH caused the straw borrowers to sign multiple construction draw requests "in blank" so that UPCHURCH could later present said draw requests without prior approval from the straw borrower and thereby immediately receive proceeds from the fraudulent construction loans.

17. It was further part of the scheme that UPCHURCH misrepresented on the draw requests submitted to Zions Bank that proceeds of the construction loan would be used for a specific purpose when, in truth and in fact, UPCHURCH did not apply the proceeds as represented but diverted a substantial amount of the loan proceeds to his own personal benefit.

18. It was further part of the scheme that UPCHURCH failed to disclose to Zions Bank the fraudulent construction loan scheme, including his payment of kickbacks to a bank officer and other individuals involved in the fraudulent loan process.

19. It was further part of the scheme that UPCHURCH failed to disclose to the straw borrowers that they could be personally liable for the total amount of the outstanding loan balance and, if they were unable to pay said loan, foreclosure proceedings would be initiated, thereby causing severe adverse consequences to their credit history.

20. It was further part of the scheme that between October 2004 and October 2005, UPCHURCH caused Zions bank to fund approximately forty-nine (49) nominee construction loans for a total approximate value of \$20 million dollars. As a result of said fraudulent nominee construction loan scheme, Zions Bank incurred a loss in excess of approximately \$1,000,000.

C. Execution of the Scheme

21. On or about the dates set forth below in the District of Idaho, the defendant, CHRISTOPHER A. UPCHURCH, for the purpose of executing and attempting to execute the scheme and artifice, did knowingly execute the scheme to defraud as to material matters, and to obtain moneys and property owned by or under the custody or control of Zions Bank, by means of material false and fraudulent pretenses, representations and promises, on the loans described below, in the following means and manner:

Count	Date	Straw Borrower	Amount of Loan	Execution of Scheme
One	2/3/05	S. Spivey	\$540,000.00	Inline Construction 3/17/05, \$46,000.00
Two	Reserved			
Three	6/11/05	M. Jones	\$490,000.00	Inline Construction 6/17/05, \$40,081.00
Four	3/13/05	A. Larsen	\$460,000.00	Inline Construction 3/10/05, \$32,500.00
Five	6/15/05	A. Urrabazo	\$340,000.00	Inline Construction 6/17/05, \$40,000.00
Six	6/15/05	A. Vanderlinden	\$390,000.00	Inline Construction 6/23/05, \$42,721.00
Seven	5/25/05	D. Jones	\$612,500.00	Inline Construction 5/26/05, \$51,978.00
Eight	4/28/05	C. Hales	\$676,000.00	Inline Construction 5/3/05, \$45,000.00

Nine	5/5/05	T. Byrne	\$384,000.00	Inline Construction 5/23/05 \$37,250.00
Ten	5/19/05	S. Harber	\$615,000.00	Inline Construction 5/26/05, \$50,000.00
Eleven	6/20/05	G. Holland	\$368,000.00	Inline Construction 6/23/05, \$27,500.00
Twelve	6/20/05	D. Black	\$250,000.00	Inline Construction 6/22/05, \$40,000.00
Thirteen	2/7/05	P. Spivey	\$516,000.00	Inline Construction 2/16/05, \$50,000.00
Fourteen	6/11/05	L. Loughmiller	\$507,500.00	Inline Construction 6/17/05, \$40,081.00
Fifteen	1/12/05	M. Ohlson	\$560,000.00	Inline Construction 1/18/05, \$45,000.00
Sixteen	3/28/05	J. Overguard	\$440,000.00	Inline Construction 8/19/05, \$38,000.00
Seventeen	6/20/05	V. Fisk	\$140,000.00	Inline Construction 6/23/05, \$20,000.00
Eighteen	6/29/05	B. Gilstrap	\$250,000.00	Inline Construction 7/21/05, \$20,000.00
Nineteen	6/29/05	R. Eichorn	\$250,000.00	Inline Construction 7/11/05, \$20,000.00
Twenty	6/20/05	D. Black	\$140,800.00	Inline Construction 6/23/05, \$20,000.00

All in violation of Title 18, United States Code, Section 1344.

COUNT TWENTY-ONE
Payment of Commission for Procuring Loans
(Vio. 18 U.S.C. § 215)

1. The Grand Jury realleges and incorporates herein all of the allegations contained in Counts One through Twenty.

2. Between on or about March 2005 and March 2006, in the District of Idaho, defendant, CHRISTOPHER A. UPCHURCH corruptly gave something of value, to wit: approximately

\$125,000, to an employee of Zions Bank, a financial institution insured by the Federal Deposit Insurance Corporation, with the intent to influence and reward such person in connection with the issuance of straw borrower loans by that institution; all in violation of Title 18, United States Code, Section 215(a)(1).

COUNT TWENTY-TWO

Bank Fraud

(Vio. 18 U.S.C. § 1344)

1. The Grand Jury realleges and incorporates herein all of the allegations contained in Counts One through Twenty.

2. That from on or about October 2004 and continuing to on or about October 2005, in the District of Idaho, the defendant, BARBARA L. COBOS, devised and intended to devise a scheme and artifice to defraud as to material matters and to obtain money and property by means of material false and fraudulent pretenses, representations and promises to Zions Bank, as set forth in detail in Counts One through Twenty.

3. Between on or about March 2005 and March 2006, the defendant, BARBARA L. COBOS, for the purpose of executing and attempting to execute the scheme and artifice, did knowingly execute the scheme to defraud as to material matters and to obtain monies and property owned by or under the custody or control of Zions Bank by means of material false and fraudulent pretenses, representations and promises, by then and there receiving kickbacks of approximately \$125,000 from UPCHURCH in relation to said fraudulent residential construction loans; all in violation of Title 18, United States Code, Section 1344.

COUNTS TWENTY-THREE TO TWENTY-NINE

Bank Fraud

(Vio. 18 U.S.C. §§ 1344 and 2)

1. The Grand Jury realleges and incorporates herein all of the allegations contained in Counts One through Twenty.

2. That from on or about October 2004 and continuing to on or about October 2005, in the District of Idaho, defendant NICHOLAS R. GOSSI devised and intended to devise a scheme and artifice to defraud as to material matters and to obtain money and property by means of material false and fraudulent pretenses, representations and promises to Zions Bank.

3. It was part of the scheme that GOSSI received kickbacks from UPCHURCH to locate and identify individuals who would be willing to be nominee or straw borrowers on residential construction loans, which were submitted to Zions Bank for funding.

4. It was part of the scheme that said straw borrowers did not have sufficient financial resources to support said loans, but GOSSI and others provided false and fraudulent financial information to Zions Bank to support said loans.

5. It was further part of the scheme that the residential loan application falsely and fraudulently represented said straw borrower was constructing a residence as an "owner-occupied residence" when, in truth and in fact, the identity of the straw borrower was used to obtain the loan proceeds from Zions Bank, and the straw borrower had no intent to occupy said residence.

Execution of the Scheme

6. On or about the dates set forth below in the District of Idaho, the defendant, NICHOLAS R. GOSSI, for the purpose of executing and attempting to execute the scheme and artifice, did knowingly execute and aid in the execution of the scheme to defraud as to material matters, and to obtain moneys and property owned by or under the custody or control of Zions Bank,

by means of material false and fraudulent pretenses, representations and promises, on the loans described below, in the following means and manner:

Count	Date	Straw Borrower	Amount of Loan	Execution of Scheme
Twenty-three	6/11/05	M. Jones	\$490,000.00	Inline Construction 6/17/05, \$40,081.00
Twenty-four	11/9/04	T. Orme	\$280,000.00	Inline Construction 6/15/05, \$27,075.00
Twenty-five	6/15/05	A. Vanderlinden	\$390,000.00	Inline Construction 6/23/05, \$42,721.00
Twenty-six	5/25/05	D. Jones	\$612,500.00	Inline Construction 5/26/05, \$51,978.00
Twenty-seven	4/28/05	C. Hales	\$676,000.00	Inline Construction 5/3/05, \$45,000.00
Twenty-eight	5/5/05	T. Byrne	\$384,000.00	Inline Construction 5/23/05 \$37,250.00
Twenty-nine	6/11/05	L. Loughmiller	\$507,500.00	Inline Construction 6/17/05, \$40,081.00

All in violation of Title 18, United States Code, Sections 1344 and 2.

COUNT THIRTY
Mail Fraud
(Vio. 18 U.S.C. § 1341)

A. Introduction

1. At all times relevant to this Indictment, National City Mortgage was a division of National City Bank, a financial institution insured by the Federal Deposit Insurance Act.

2. NICHOLAS R. GOSSI was a loan officer at the Best Mortgage Company in Meridian, Idaho.

3. D. Jones and M. Jones resided in Meridian, Idaho.

B. Artifice and Scheme to Defraud

4. From on or about October 2006 through on or about the present, the defendant, NICHOLAS R. GOSSI, devised and intended to devise a scheme and artifice to defraud as to material matters and to obtain money and property by means of material false and fraudulent pretenses, representations and promises to National City Mortgage.

5. It was part of the scheme that GOSSI did falsely represent on a loan application for a \$740,000 residential construction loan that D. Jones had monthly income of \$13,000 per month when, in truth and in fact, D. Jones had monthly income of approximately \$3,000.

6. It was part of the scheme that GOSSI did falsely represent on a loan application for a \$740,000 residential construction loan that said residential property was for "purchase" as a "primary residence" when, in truth and in fact, said property was for investment purposes.

C. Execution of the Scheme

7. On or about April 4, 2007, between the Districts of Ohio and Idaho, defendant GOSSI, for the purpose of executing and attempting to execute the scheme and artifice, did knowingly execute the scheme to defraud as to material matters, and to obtain money and property owned by or under the control of National City Mortgage, and did knowingly cause to be sent or received by private or commercial interstate carrier, to-wit: Federal Express, to-wit: a check in the amount of \$120,990 from National City Mortgage to a contractor in Idaho; all in violation of Title 18, United States Code, Section 1341.

COUNT THIRTY-ONE
False Statement of Material Fact/Felony
(Vio. 18 U.S.C. § 1001(a)(2))

On or about July 26, 2004, in the District of Idaho and elsewhere, in a matter within the jurisdiction of the United States Department of Housing and Urban Development (HUD), defendant

NICHOLAS R. GOSSI did knowingly and willfully make a materially false, fictitious and fraudulent statement and representation; that is, representing to a HUD representative that information on a residential loan application that he was employed by Affordable Flooring (a company owned by UPCHURCH), when Defendant NICHOLAS R. GOSSI then and there knew that he was not employed by Affordable Flooring, all in violation of Title 18, United States Code, Section 1001(a)(2).

COUNT THIRTY-TWO
Theft From a Financial Institution
(Vio. 18 U.S.C. § 2113(b))

Between on or about October 2004 and on or about October 2005, in the District of Idaho, the defendants, NICHOLAS R. COATS and MAX REICH did take and carry away with the intent to steal or purloins, property or money not exceeding \$1,000 belonging to, or in the care, custody or control, management and possession of Zions Bank; in violation of Title 18, United States Code, Section 2113(b).

DATED this 13 day of May, 2008.

A TRUE BILL

Foreperson (Signed on Reverse)

THOMAS E. MOSS
United States Attorney



George W. Breitsameter
Assistant United States Attorney

CRIMINAL COVERSHEET **CR 08-0104-S EIL**

DEFENDANT'S NAME: Christopher A. Upchurch

Juvenile: No

DEFENSE ATTORNEY: William A. Morrow
 ADDRESS: 5700 E. Franklin Road, Suite 200
 Nampa, Idaho
 TELEPHONE NO.: (208) 466-9272

Public / Sealed: Public

Service Type: Summons

Issue: Yes

INVESTIGATING AGENT & AGENCY: Stephen A. Carter
 Federal Bureau of Investigation
 TELEPHONE NO.: (208) 344-7843

Interpreter: No
 If yes, language:

CASE INFORMATION: (List any miscellaneous, magistrate, CVB or other related defendants/case numbers).

CRIMINAL CHARGING INFORMATION

CHARGING DOCUMENT: Indictment

Yes Felony No Class A Misdemeanor No Class B or C Misdemeanor (Petty Offense)

County of Offense: Ada Estimated Trial Time: 5 days

TITLE/SECTION	COUNT	BRIEF DESCRIPTION	PENALTIES <i>(Include Supervised Release and Special Assessment)</i>
18 U.S.C. § 1344	1, 3-20	Bank Fraud	Each Count: Incarceration for up to 30 years and/or \$1,000,000 fine, \$100 special assessment; 5 years supervised release
18 U.S.C. § 215	21	Payment of Commissions For Procuring Loans	Incarceration for up to 30 years and/or \$1,000,000 fine, \$100 special assessment; 5 years supervised release

Date: May 13, 2008

AUSA: George W. Breitsameter
 Telephone No.: (208) 334-1211

CRIMINAL COVERSHEET

DEFENDANT'S NAME: Barbara L. Cobos

Juvenile: No

DEFENSE ATTORNEY: S. Richard Rubin
 ADDRESS: 350 North 9th Street, Suite 300
 Boise, Idaho
 TELEPHONE NO.: (208) 388-1600

Public / Sealed: Public

Service Type: Summons

Issue: Yes

INVESTIGATING AGENT & AGENCY: Stephen A. Carter
 Federal Bureau of Investigation
 TELEPHONE NO.: (208) 344-7843

Interpreter: No
 If yes, language:

CASE INFORMATION: (List any miscellaneous, magistrate, CVB or other related defendants/case numbers).

Please set for plea of guilty.

CRIMINAL CHARGING INFORMATION

CHARGING DOCUMENT: IndictmentYes FelonyNo Class A MisdemeanorNo Class B or C Misdemeanor (Petty Offense)County of Offense: AdaEstimated Trial Time: N/A -- Plea Agreement

TITLE/SECTION	COUNT	BRIEF DESCRIPTION	PENALTIES <i>(Include Supervised Release and Special Assessment)</i>
18 U.S.C. § 1344	22	Bank Fraud	Incarceration for up to 30 years and/or \$1,000,000 fine, \$100 special assessment; 5 years supervised release

Date: May 13, 2008

AUSA: George W. Breitsameter
 Telephone No.: (208) 334-1211

CRIMINAL COVERSHEET

~~CR 08 0104 S EJL~~

DEFENDANT'S NAME: Nicholas R. Gossi

Juvenile: No

DEFENSE ATTORNEY: Robert A. Wallace
ADDRESS: 290 Bobwhite Court, Suite 260
Boise, Idaho 83706
TELEPHONE NO.: (208) 342-0100

Public / Sealed: Public

Service Type: Summons

Issue: Yes

INVESTIGATING AGENT & AGENCY: Stephen A. Carter
Federal Bureau of Investigation
TELEPHONE NO.: (208) 344-7843

Interpreter: No
If yes, language:

CASE INFORMATION: (List any miscellaneous, magistrate, CVB or other related defendants/case numbers).

CRIMINAL CHARGING INFORMATION

CHARGING DOCUMENT: Indictment

Yes Felony No Class A Misdemeanor No Class B or C Misdemeanor (Petty Offense)

County of Offense: Ada Estimated Trial Time: 5 days

TITLE/SECTION	COUNT	BRIEF DESCRIPTION	PENALTIES (Include Supervised Release and Special Assessment)
18 U.S.C. §§ 1344 and 2	23-29	Bank Fraud	Each Count: Incarceration for up to 30 years and/or \$1,000,000 fine, \$100 special assessment; 5 years supervised release
18 U.S.C. § 1341	30	Mail Fraud	Incarceration for not more than 30 years and/or \$250,000 fine; \$100 special assessment; 3 years supervised release
18 U.S.C. § 1001(a)(2)	31	False Statement of Material Fact/Felony	Incarceration for up to 5 years and/or \$250,000 fine, \$100 special assessment; 5 years supervised release

Date: May 13, 2008

AUSA: George W. Breitsameter
Telephone No.: (208) 334-1211

CRIMINAL COVERSHEET CR 08-0104-S EUL

DEFENDANT'S NAME: Nicholas R. Coats

Juvenile: No

DEFENSE ATTORNEY: Philip H. Gordon
 ADDRESS: 623 West Hays Street
 Boise, Idaho
 TELEPHONE NO.: (208) 345-7100

Public / Sealed: Public
 Service Type: Summons
 Issue: Yes

INVESTIGATING AGENT & AGENCY: Stephen A. Carter
 Federal Bureau of Investigation
 TELEPHONE NO.: (208) 344-7843

Interpreter: No
 If yes, language:

CASE INFORMATION: (List any miscellaneous, magistrate, CVB or other related defendants/case numbers).
 Please set for guilty plea.

CRIMINAL CHARGING INFORMATION

CHARGING DOCUMENT: Indictment

No Felony Yes Class A Misdemeanor No Class B or C Misdemeanor (Petty Offense)

County of Offense: Ada Estimated Trial Time: N/A -- Plea Agreement

TITLE/SECTION	COUNT	BRIEF DESCRIPTION	PENALTIES <i>(Include Supervised Release and Special Assessment)</i>
18 U.S.C. § 2113(b)	32	Theft From a Financial Institution	Incarceration for up to 1 year and/or \$100,000 fine, \$25 special assessment; 1 year supervised release

Date: May 13, 2008

AUSA: George W. Breitsameter
 Telephone No.: (208) 334-1211

CRIMINAL COVERSHEET CR 08-0104-S EM

DEFENDANT'S NAME: Max Reich

Juvenile: No

DEFENSE ATTORNEY: Philip H. Gordon
 ADDRESS: 623 West Hays Street
 Boise, Idaho
 TELEPHONE NO.: (208) 345-7100

Public / Sealed: Public
 Service Type: Summons
 Issue: Yes

INVESTIGATING AGENT & AGENCY: Stephen A. Carter
 Federal Bureau of Investigation
 TELEPHONE NO.: (208) 344-7843

Interpreter: No
 If yes, language:

CASE INFORMATION: (List any miscellaneous, magistrate, CVB or other related defendants/case numbers).
 Please set for guilty plea.

CRIMINAL CHARGING INFORMATION

CHARGING DOCUMENT: Indictment

No Felony Yes Class A Misdemeanor No Class B or C Misdemeanor (Petty Offense)

County of Offense: Ada Estimated Trial Time: N/A -- Plea Agreement

TITLE/SECTION	COUNT	BRIEF DESCRIPTION	PENALTIES <i>(Include Supervised Release and Special Assessment)</i>
GR 18 U.S.C. § 2113(b)	32	Theft From a Financial Institution	Incarceration for up to 1 year and/or \$100,000 fine, \$25 special assessment; 1 year supervised release

Date: May 13, 2008

AUSA: George W. Breitsameter
 Telephone No.: (208) 334-1211