

FEB 24 2010

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

JAMES N. HATTEN, Clerk
By:  Deputy Clerk

UNITED STATES OF AMERICA :
 :
 v. : CRIMINAL INDICTMENT
 :
 JONATHAN ALFRED KIMPSON :
 :
 Defendant. : NO. **1 10 - CR - 085**

THE GRAND JURY CHARGES THAT:

COUNT ONE
Conspiracy
18 U.S.C. § 1349

1. From in or about October 2007, through on or about February 24, 2010, in the Northern District of Georgia, defendant JONATHAN ALFRED KIMPSON did willfully, knowingly and unlawfully combine, conspire, confederate, agree and have a tacit understanding with others, known and unknown to the Grand Jury, to commit certain offenses against the United States, including the following:

(a) To knowingly execute and attempt to execute a scheme and artifice to defraud financial institutions, as defined in Title 18, United States Code, Section 20, including Bank of America, Generation Mortgage Company, James B. Nutter and Company, Live Well Financial, Platinum Mortgage and others, being insured depository institutions, mortgage lending businesses and entities making federally related Federal Housing Administration (FHA) insured reverse mortgage loans, in violation of Title 18, United States

Code, Section 1344.

(b) To devise and intend to devise a scheme and artifice to defraud reverse mortgage lenders, the FHA insurer of said reverse mortgage loans and the Georgia Multiple Listing Service of money and property by submitting and causing to be submitted materially false borrower qualifying information and other materially fraudulent pretenses, representations and promises regarding property valuation, causing interstate wire communications to be made in furtherance of said scheme to defraud, in violation of Title 18, United States Code, Section 1343.

2. During the course of this conspiracy, the legitimate FHA insured purchase money Reverse Mortgage Loan Program operated as follows:

(a) Reverse mortgage loans, also known as Home Equity Conversion Mortgages (HECMs), were designed to assist with the financial security seniors, age 62 or older. By October 2008, the Reverse Mortgage Program provided funding for property acquisition by seniors for primary residences (purchase money reverses). Unlike a "regular" or "forward" mortgage where the homeowner makes monthly mortgage payments to the lender, the senior homeowner in a purchase money "reverse" mortgage receives money from the lender toward the purchase of a new home, but does not have to pay anything back to the lender for as long as the senior lives in the house.

(b) Senior reverse mortgage borrowers have to pay only for property maintenance, property taxes and insurance.

(c) Purchase money reverses require a significant down payment from senior borrowers to establish the seniors' required substantial equity in the property.

(d) The substantial equity is required because the Federal Housing Administration (FHA), an agency of the United States Department of Housing and Urban Development (HUD), insures all reverse mortgages, including purchase money reverses, and must recoup reverse mortgage principal amounts, loan origination costs, mortgage insurance premiums, loan servicing costs and interest from sale of the properties when seniors die or move elsewhere, unless relatives wish to repay these amounts to FHA. The ability of FHA to recoup the costs of reverse mortgages depends on non-inflated valuations of the properties securing said reverse mortgages.

3. It was a part of this conspiracy and the objects thereof for defendant JONATHAN ALFRED KIMPSON and his conspirators to profit from fraudulently obtained FHA insured purchase money reverse mortgage loans as follows:

(a) Recruit senior borrowers 62 years of age or older for purchase money reverses to be insured by the FHA and secured by properties located in Atlanta, Decatur, Lithonia and Stone Mountain, Georgia.

(b) Cause an official number to be assigned in West

Virginia to FHA insured reverse mortgage loans for access by loan originators in the Northern District of Georgia, all such assignment requests and accesses made by interstate wire communication through the internet.

(c) Pay and promise to pay kickbacks to a loan officer who originated fraudulent purchase money loans through a FHA approved mortgage brokerage firm.

(d) Cause seniors recruited for purchase money reverses to sign property purchase agreements substantially in excess of the amount to be paid to the property sellers.

(e) Document false equity in the properties to secure the purchase money reverses by obtaining fraudulently inflated appraisals with property valuations substantially in excess of the then true market value.

(f) Falsify official Georgia Multiple Listing Service (GAMLS) records via access through the internet to create fake property sales at inflated amounts to be used in support of fraudulently inflated appraisals of properties securing the FHA insured purchase money reverse loans.

(g) Create false equity in the properties securing the purchase money reverse loans through use of bogus senior down payments of between \$70,000 and \$95,000 documented by: false gift letters and bank statements purportedly from relatives "gifting" down payments to seniors; fake HUD1 Settlement Statements from a

bogus closing attorney firm purporting to show the sale of such senior assets; and a \$91,000 fake civil judgment in favor of the senior borrower.

(h) Retain an answering service for the bogus closing attorney firm of Cambell & Feinstein listed on the fake HUD1 Settlement Statements used to document the purported sale of senior assets for use as the down payments required for the purchase money reverse mortgages.

(i) Provide the required senior down payments to the attorney closing the purchase money reverse loans by cashiers checks and wire transfers from KIMPSON funds.

(j) Recruit persons to act as Powers of Attorney (POA) for the sellers at the purchase money reverse loan closings to conceal from the sellers the inflated purchase prices on the HUD1 Settlement Statements which were submitted to the purchase money reverse lenders and the FHA.

(k) Divert purchase money reverse loan proceeds from the seniors and the FHA insurer to KIMPSON controlled bank accounts in the sellers' proper names with "Inc." affixed thereto by: instructing the POAs to deliver seller proceed checks for deposit into said accounts; or instructing the closing attorney to wire transfer said seller proceeds for deposit into said bank accounts, which proceeds included the return of the fraudulently fronted down payments.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO
Wire Fraud
18 U.S.C. §§ 1343 and 2

4. The Grand Jury hereby realleges and incorporates by reference herein the facts stated in Count One of this Indictment.

5. Between in or about October 2007, and on or about February 24, 2010, in the Northern District of Georgia, defendant JONATHAN ALFRED KIMPSON, aided and abetted by others, knowingly and willfully devised and intended to devise a scheme and artifice to defraud reverse mortgage lenders, the FHA insurer of said reverse mortgage loans and the Georgia Multiple Listing Service (GAMLS) of money and property and by making materially fraudulent pretenses, representations and promises regarding property valuation, causing interstate wire communications to be made in furtherance of said scheme to defraud.

6. It was part of this scheme and artifice to defraud for defendant KIMPSON and his co-schemers to falsify official GAMLS records via access through the internet to create fake property sales at inflated amounts to be used in support of fraudulently inflated appraisals of properties securing the FHA insured reverse mortgage loans to senior borrowers and other mortgage loans as follows:

(a) Access official GAMLS listings through the internet using: defendant KIMPSON's realtor license number, user name and

password; the numbers, names and passwords of relatives; stolen realtor numbers, names and passwords of others; and user names and passwords fraudulently obtained by assuming the stolen identities of licensed realtors to request "replacement" passwords from GAMLS.

(b) Alter legitimate GAMLS listings and falsify new listings of property descriptions, list prices, sales prices and sale dates to reflect inflated sales prices, contemporaneous sale dates, sales that did not occur and addresses closer to the subject property.

(c) Direct appraisers to properties with falsified and altered GAMLS valuation data for use in appraisals submitted in support of the fraudulently inflated sales price of properties securing FHA insured reverse and other mortgage loans.

(d) Use personal computers and IP addresses of defendant KIMPSON, his co-schemers and their relatives to falsify and alter the GAMLS listings through the internet until such alterations were questioned by GAMLS, at which time defendant KIMPSON and his co-schemers continued to access GAMLS for such falsifications and alterations through public internet locations and mobile wireless devices, all such falsifications and alterations being transmitted in interstate commerce through the internet.

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

COUNTS THREE THROUGH FIVE
Aggravated Identity Theft
18 U.S.C. §§ 1028A and 2

7. The Grand Jury realleges and incorporates by reference herein the facts stated in Counts One and Two of this Indictment.

8. On or about the below listed dates, in the Northern District of Georgia, JONATHAN ALFRED KIMPSON, aided and abetted by others, knowingly possessed, transferred and used and caused to be possessed, transferred and used, without lawful authority, a means of identification of another person, that is, the stolen names and other means of identification of the below listed individuals used to access the Georgia Multiple Listing Service to fraudulently alter and falsify data related to property valuations, during and in relation to the federal felony of wire fraud, as set forth in Count Two of this Indictment:

Count No.	Date	Stolen Name
3	3/19/09	DS
4	11/7/09	JY
5	11/7/09	SB

All in violation of Title 18, United States Code, Sections 1028A and 2.

FORFEITURE PROVISION

9. Upon conviction of one or more of the offenses alleged in Counts One and Two of this Indictment, defendant JONATHAN ALFRED KIMPSON shall forfeit to the United States pursuant to 18 United States Code, Sections 981(a)(1)(C), 982(a)(2), and 28 United States Code, Section 2461(c) any property, real or personal, constituting or derived from proceeds obtained directly or indirectly as a result of the said violation.

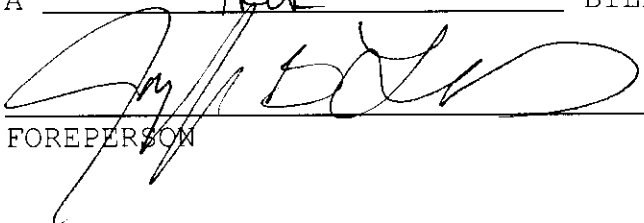
10. If, as a result of any act or omission of the defendant, any property subject to forfeiture:

- 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;

the United States intends, pursuant to Title 18, United States Code, Section 982 (b) and Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.


All pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982 (a) and (b); Title 28, United States Code, Section 2461(c); and Title 21, United States Code, Section 853(p).

A TRUE BILL



FOREPERSON

SALLY QUILLIAN YATES
ACTING UNITED STATES ATTORNEY



GALE MCKENZIE
ASSISTANT UNITED STATES ATTORNEY
600 U.S. Courthouse,
75 Spring Street, S.W.
Atlanta, GA 30303
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