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**FILED**

AUG 14 2008

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

BY \_\_\_\_\_  
DEPUTY CLERK

**SEALED**

8 IN THE UNITED STATES DISTRICT COURT  
9 FOR THE EASTERN DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA,  
12 Plaintiff,  
13 v.  
14 GARRET GRIFFITH GILILLAND III,  
and  
15 NICOLE MAGPUSAO,  
16 Defendants.

CASE NO. 08 - CR - - 376 ENF - 1  
VIOLATIONS: 18 U.S.C. § 1014 -  
False Statements in Loan  
Applications (2 Counts); 18  
U.S.C. § 1957 - Engaging in  
Monetary Transactions Over  
\$10,000 in Property Derived from  
Specified Unlawful Activity

I N D I C T M E N T

19 COUNTS ONE AND TWO: [18 U.S.C. § 1014 - False Statements in Loan  
Applications]

20 The Grand Jury charges:

21 GARRET GRIFFITH GILILLAND III, and  
22 NICOLE MAGPUSAO,

23 defendants herein, as follows:

24 1. At all times relevant to this indictment, defendant GARRET  
25 GRIFFITH GILILLAND III and defendant NICOLE MAGPUSAO resided together  
26 in Chico, California, in Butte County, in the State and Eastern  
27 District of California.

28 ///

1           2. At all times relevant to this indictment, defendant GILILLAND  
 2 operated as an unlicensed mortgage broker. Defendant GILILLAND made  
 3 false statements on loan applications for the purpose of purchasing  
 4 homes for himself and straw buyers, including defendant NICOLE  
 5 MAGPUSAO.

6           3. On or about the dates set forth below, in the County of  
 7 Butte, State and Eastern District of California, and elsewhere,  
 8 defendants GARRET GRIFFITH GILILLAND III and NICOLE MAGPUSAO, as  
 9 listed below, knowingly made and caused to be made false statements  
 10 and reports for the purpose of influencing the lenders set forth  
 11 below, the accounts of which were then and there insured by the  
 12 Federal Deposit Insurance Corporation, in connection with home loans  
 13 being sought in their own names or in the names of the straw  
 14 purchasers including, by among other things, falsely inflating each  
 15 borrower's gross monthly income, and falsely reporting employment  
 16 history, as set forth below:

<u>CT</u>	<u>DATE OF FALSE STATEMENT OR REPORT</u>	<u>PROPERTY ADDRESS</u>	<u>LENDER</u>	<u>MANNER IN WHICH APPLICATION WAS FALSE</u>	<u>DEFENDANT</u>
1	6/24/07	83 Pauletah Place, Chico, CA	Deutsche Bank	Owner occupied, gross monthly income of \$8,750 from Savings Direct Magazine	MAGPUSAO GILILLAND
2	6/28/06	1585 Arch Way Chico, CA	Chase Bank USA, NA	Owner occupied, home address, \$7767.83 monthly income, employed with AGS Construction Services for 2.2 years	GILILLAND

1 All in violation of Title 18, United States Code, Sections 1014 and 2.

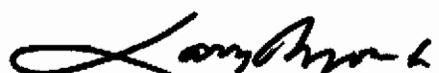
2 COUNT THREE: [18 U.S.C. § 1957 -Engaging in Monetary Transactions Over  
3 \$10,000 in Property Derived from Specified Unlawful  
4 Activities]

4 The Grand Jury further charges: T H A T

5 GARRET GRIFFITH GILILLAND III,  
6 defendant herein, on or about July 6, 2007, in the State and Eastern  
7 District of California, did knowingly engage in a monetary  
8 transaction, to wit: deposit of check # 7572 dated 7/3/07 for \$26,000  
9 drawn on 3<sup>rd</sup> Sky Mortgage's Comerica bank account and made payable to  
10 NCII Investments, which was by, through, and to a financial  
11 institution affecting interstate or foreign commerce, knowing the  
12 transaction involved criminally derived property of a value greater  
13 than \$10,000, such property having been derived from a specified  
14 unlawful activity, that is, False Statements in Loan Applications, in  
15 violation of Title 18, United States Code, Section 1014, all in  
16 violation of Title 18, United States Codes, Sections 1957 and 2.

17 A TRUE BILL.

18  /s/ Signature on file w/AUSA  
19 FOREPERSON

20  
21   
22 McGREGOR W. SCOTT  
23 United States Attorney

# PENALTY SLIP

**GARRET GRIFFITH GILILLAND III:** Counts 1 - 3

**NICOLE MAGPUSAO:** Counts 1 and 2

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<b>COUNTS 1 and 2</b>	18 U.S.C. 1014 - False Statements in Loan Applications	<b>PENALTY:</b>	NMT: \$1,000,00 fine NMT: 30 years imprisonment; or Both TSR: NMT 5 Years
<b>COUNT 3</b>	18 U.S.C. 1957 - Engaging in Monetary Transactions over \$10,000 in Property Derived from Specified Unlawful Activity	<b>PENALTY:</b>	\$250,000 fine (or an alternate fine of double the amount laundered here, \$10,000) NMT 10 years imprisonment; or Both TSR: NMT 3 Years
<b>SPECIAL ASSESSMENT:</b> \$100.00 for each count			

No.

2:08 - CR - - 376 EDC

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

GARRET GRIFFITH GILLILLAND III, and  
NICOLE MAGPUSAO

INDICTMENT

VIOLATION(S): 18 U.S.C. § 1014 - False Statements in Loan Applications (4 counts); 18 U.S.C. § 1957 - Engaging in Monetary Transactions over \$10,000 in Property Derived from Specified Unlawful Activity

A true bill,

151

Foreman.

Filed in open court this 14 day

of AUGUST, A.D. 20 08

Clerk.

Bail, \$

As to both defendants

WARRANT: NO BAIL PENDING HEARING

GPO 863 525