



# Department of Justice

United States Attorney Lawrence G. Brown  
Eastern District of California

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## **FORMER LOAN OFFICER FOR CRISP & COLE REAL ESTATE'S LENDING AFFILIATE PLEADS GUILTY**

FRESNO, Calif. – United States Attorney Lawrence G. Brown announced today that JERALD ALLEN TEIXEIRA, 29, of Bakersfield, pleaded guilty today before United States District Judge Oliver W. Wanger to one count of wire fraud in connection with a scheme to defraud mortgage lending institutions. TEIXEIRA was formerly a loan officer at Tower Lending, a mortgage brokerage company that was affiliated with Crisp & Cole Real Estate and was owned by Crisp & Cole's owners. Both businesses were in Bakersfield. As part of his plea agreement, he has agreed to cooperate in the government's ongoing investigation.

This case is the product of an extensive investigation by the Federal Bureau of Investigation.

According to Assistant United States Attorneys Stanley A. Boone, Sheila K. Oberto, and Kirk E. Sherriff, who are handling the investigation, TEIXEIRA admitted in his plea that between October 2004 and January 2007, he along with certain individuals at Crisp & Cole and Tower Lending, and other individuals, executed a scheme to defraud mortgage lending institutions, by submitting materially false and fraudulent statements in mortgage loan applications and related documents to obtain loans from the lenders for borrowers' purchases of real property.

TEIXEIRA admitted that he and other individuals involved in this scheme caused false and fraudulent statements to be made in loan applications and other documents, including material misstatements of borrowers' income, employment status or occupation, and false statements concerning the borrowers' intent to reside in the properties as owner-occupiers. For example, TEIXEIRA stated that a borrower's income would at times be falsely inflated on the loan application and related documents, if it appeared that the borrower would not qualify for a particular loan based on the borrower's actual income.

TEIXEIRA also admitted that during the period from October 2004 to December 2006, he obtained loans to finance the purchase of approximately 11 real properties with a total purchase value at the time of approximately \$4.4 million, and refinanced the mortgage on one of the properties. In order to qualify for these loans, in almost all of the loan applications, TEIXEIRA knowingly made material misstatements or omitted relevant and material information, including misstatements concerning his income and his outstanding liabilities (including his liabilities with respect to other real properties), and misstatements that he would use certain properties as owner-occupied residences when in fact he had no intent to reside in the properties.

TEIXEIRA and others involved in the scheme committed these acts to deceive lending institutions into funding mortgage loans on the basis of the false information. A number of the

properties purchased with the loan proceeds were subsequently foreclosed upon after loan payments were not made when due.

U.S. Attorney Brown stated, "The United States Attorney's Office continues to pursue those responsible for the mortgage fraud schemes that have contributed to the devastation in real estate and financial markets."

To further the prosecution of mortgage fraud cases arising out of the southern half of the Central Valley, in 2009 the U.S. Attorney's Office and the FBI created a Mortgage Fraud Task Force in Fresno, comprised of both federal and local law enforcement agents and prosecutors.

TEIXEIRA is scheduled to be sentenced on March 22, 2010, at 1:30 p.m. The maximum statutory penalty on the wire fraud charge is 20 years in prison, and a criminal fine of \$250,000. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

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