

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,

Plaintiff,

v.

ALPHA RASHIDI MSHIHIRI,

Defendant.

INDICTMENT CR 13-184 DSD/JJK

(18 U.S.C. § 2)

(18 U.S.C. § 982(a))

(18 U.S.C. § 1341)

(18 U.S.C. § 1343)

(18 U.S.C. § 1344)

(18 U.S.C. § 1349)

(18 U.S.C. § 1956(h))

(28 U.S.C. § 2461(c))

THE UNITED STATES GRAND JURY CHARGES THAT:

BACKGROUND

1. At all times relevant to this Indictment, defendant ALPHA RASHIDI MSHIHIRI (“Alpha Mshihiri,”) was a resident of the State of Minnesota.

2. At all times relevant to this Indictment, the following financial institutions did business in the State of Minnesota and elsewhere and held deposits insured by the Federal Deposit Insurance Corporation:

- a. The Business Bank d/b/a Prime Mortgage and Private Bank,
- b. Washington Mutual,
- c. J.P. Morgan Chase,
- d. Wells Fargo Bank Home Mortgage,
- e. Citizens State Bank Norwood Young America,

(hereinafter referred to as the “Financial Institutions”).



THE SCHEME

4. From in or about June 2006 and continuing through in or about April 2009, in the State and District of Minnesota and elsewhere, the defendant,

ALPHA RASHIDI MSHIHIRI,

aiding and abetting, and being aided and abetted by, others known and unknown to the grand jury, did knowingly and unlawfully devise and participate in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

5. Since at least June 2006, ALPHA MSHIHIRI participated in a scheme to defraud mortgage lenders, and to obtain money and property from mortgage lenders by means of material false and fraudulent representations and promises and material omissions.

6. In furtherance of the scheme, ALPHA MSHIHIRI, working with others, identified real residential properties that were available for purchase and recruited straw buyers to participate in the purchase of the properties.

7. The straw buyers would then submit fraudulent loan applications to the mortgage lenders. In some instances straw buyers used their true biographical information coupled with false statements on the loan application regarding employment, income, assets, and liabilities. In other instances, straw buyers used the stolen identity of a real person in the loan application such that every piece of information in the application was false. The straw buyers also falsely claimed in their applications that the source of the down payment for the closing was the straw buyers' own checking/savings

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accounts and failed to disclose the true source of the down payment, which was often funded by ALPHA MSHIHIRI and others who were not parties to the transaction.

8. In support of the fraudulent loan applications, ALPHA MSHIHIRI and others created or caused to be created false documents that were then submitted to the mortgage lenders. These documents include, but are not limited to, false W-2's, false paystubs, false investment statements, false gift letters, and fraudulent driver's licenses.

9. In some instances the proceeds of the loans were used to pay existing mortgages to the benefit of ALPHA MSHIHIRI and his entities, and in other instances were paid to parties outside the transaction in the form of kickbacks.

10. As a result of this scheme, the victim lenders sustained substantial losses.

COUNT 1

(Conspiracy to Commit Bank Fraud)

11. The grand jury incorporates paragraphs 1 through 10 as if fully set forth herein.

12. From on or about June 26, 2007, and continuing until on or about April 30, 2009, in the State and District of Minnesota and elsewhere, the defendant,

ALPHA RASHIDI MSHIHIRI,

did knowingly combine, conspire, confederate and agree with others known and unknown to the grand jury, to execute and attempt to execute a scheme and artifice to defraud the Financial Institutions, and to obtain and attempt to obtain by means of material false and fraudulent pretenses and representations, monies and funds owned by

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and under the custody and control of the Financial Institutions, in violation of Title 18, United States Code, Sections 1344 and 1349.

PURPOSE OF THE CONSPIRACY

13. The purpose of the conspiracy was to obtain mortgage loan proceeds that members of the conspiracy obtained by providing false information to, and concealing information from, mortgage lenders. Defendant and his co-conspirators then converted portions of the fraudulently obtained mortgage loan proceeds to their own use.

MANNER AND MEANS

14. The conspiracy included the manner and means described in paragraphs 1 through 13 of the Indictment, which are hereby re-alleged and incorporated herein.

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

COUNTS 2-4
(Bank Fraud)

16. The grand jury incorporates paragraphs 1 through 15 as if fully set forth herein.

17. On or about the dates set forth below, in the State and District of Minnesota and elsewhere, the defendant,

ALPHA RASHIDI MSHIHIRI,

aiding and abetting, and being aided and abetted by, others known and unknown to the grand jury, having devised the scheme and artifice to defraud the Financial Institutions, and to obtain and attempt to obtain the monies and funds owned by and under the custody and control of the Financial Institutions, by means of material false and fraudulent

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pretenses, representations and promises, did knowingly execute and attempt to execute the scheme and artifice as follows:

Count	Date (on or about)	Financial Institution	Description
2	6/26/2007	Washington Mutual	Caused the mortgage loan of \$872,000.00 for the purchase of a penthouse condominium in Bloomington, MN
3	12/26/2007	Wells Fargo Bank Home Mortgage	Caused the mortgage loan of \$270,750.00 for the purchase of a duplex in Minneapolis, MN
4	7/31/2008	The Business Bank, d/b/a Prime Mortgage	Caused the mortgage loan of \$416,000.00 for the purchase of a single family home in Independence, MN

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

COUNT 5
(Mail Fraud)

19. The grand jury incorporates paragraphs 1 through 18 as if fully set forth herein.

20. On or about December 26, 2007, in the State and District of Minnesota and elsewhere, the defendant,

ALPHA RISHIDI MSHIHIRI,

aiding and abetting, and being aided and abetted by, others known and unknown to the grand jury, having devised the scheme and artifice to defraud Wells Fargo Bank Home Mortgage, and to obtain and attempt to obtain the monies and funds owned by and under the custody and control of Wells Fargo Bank Home Mortgage, by means of material false and fraudulent pretenses, representations and promises, did knowingly cause to be sent, delivered, and moved by the United States Postal Service and commercial interstate

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carrier, according to the directions thereon, a \$265,469.63 check from Wells Fargo Bank Home Mortgage to Executive Title Services, Inc., for the purchase of a duplex in Minneapolis, Minnesota.

21. All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT 6-7
(Wire Fraud)

22. The grand jury incorporates paragraphs 1 through 21 as if fully set forth herein.

23. On or about the date set forth below, in the State and District of Minnesota and elsewhere, the defendant,

ALPHA RISHIDI MSHIHIRI,

aiding and abetting, and being aided and abetted by, others known and unknown to the grand jury, having devised the scheme and artifice to defraud Financial Institutions, and to obtain and attempt to obtain the monies and funds owned by and under the custody and control of the Financial Institutions, by means of material false and fraudulent pretenses, representations, and promises, did execute and attempt to execute the scheme and artifice, by knowingly transmitting and causing to be transmitted by means of wire communications in interstate commerce, certain writings, signs, signals, and sounds, as follows:

Count	Date (on or about)	Description of Interstate Wire
6	6/26/2007	Interstate electronic transfer of \$879,034.50 from Washington Mutual to Bridge Title for the purchase of a penthouse condominium in Bloomington, Minnesota

Count	Date (on or about)	Description of Interstate Wire
7	7/23/2008	Interstate electronic transfer of \$126,134.51 from Law Title, Inc., to Vany International, LLC, as payment of proceeds derived from the sale of a single family residence in Minneapolis, Minnesota

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

COUNT 8

(Money Laundering Conspiracy)

25. The grand jury incorporates paragraphs 1 through 24 as if fully set forth herein.

26. In or about July 2008, in the State and District of Minnesota and elsewhere, the defendant,

ALPHA RISHIDI MSHIHIRI,

did knowingly and willfully combine, conspire, and agree with others known and unknown to the Grand Jury, to conduct and attempt to conduct monetary transactions in criminally derived property affecting interstate commerce of value greater than \$10,000.00, namely, transfers of the proceeds of specified unlawful activity to themselves or for their benefit, which transactions involved proceeds of a specified unlawful activity, that is, wire fraud, knowing that the property involved in the monetary transactions represented the proceeds of some form of unlawful activity in violation of Title 18, United States Code, Section 1957.

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

FORFEITURE ALLEGATIONS

Counts 1-8 of this Indictment are hereby realleged and incorporated as if fully set forth herein by reference, for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(1) and 982(a)(2)(A), and Title 28, United States Code, Section 2461(c).

As the result of the offenses alleged in Counts 1-7 of this Indictment, the defendants shall forfeit to the United States pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the violations alleged in Counts 1-7 of this Indictment.

As the result of the offenses alleged in Count 8 of this Indictment, the defendant,

ALPHA RISHIDI MSHIHIRI,

shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offenses or any property traceable to such property.

If any of the above-described forfeitable property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and by Title 28, United States Code, Section 2461(c).

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON