



*U.S. Department of Justice  
United States Attorney  
Southern District of Mississippi*

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**FOR IMMEDIATE RELEASE  
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**TWO JACKSON LAWYERS SENTENCED FOR  
MONEY LAUNDERING CONSPIRACY AND FEDERAL BANK FRAUD**

Jackson, Miss -- Charles H. Evans, Jr., 57, of Jackson, was sentenced today to serve 20 years in prison for his role in one of the largest commercial mortgage fraud crimes in the history of the State of Mississippi, announced U.S. Attorney John Dowdy and FBI Special Agent in Charge Daniel McMullen. His brother and co-conspirator, Jon Christopher Evans, 53, also of Jackson, was sentenced to 14 years in prison. A forfeiture order was entered by U.S. District Judge Daniel P. Jordan III against the defendants in the amount of \$18,594,221.58. The judge ordered that the restitution amount owed by the defendants would be determined at a later date.

On December 22, 2010, the defendants pled guilty to a two-count criminal Information charging them with money laundering conspiracy and federal bank fraud. Conspiracy to commit money laundering carries a maximum sentence of 20 years in prison and a \$500,000 fine or twice the value of the property involved in the transaction, whichever is greater. The federal bank fraud charge carries a maximum sentence of 30 years in prison and a \$1,000,000 fine.

Charles H. Evans, Jr. is an attorney who operated The Evans Firm in Jackson, and was an approved attorney for Mississippi Valley Title Company ("MVT"), authorized to provide title opinions and prepare certificates of title for MVT, which MVT used and relied upon in order to issue title insurance policies to banks making loans for the purchase of real estate. His brother and co-defendant, Jon Christopher Evans, is also an attorney in Jackson who served as the registered agent for numerous shell companies in the Jackson area, which were owned, operated, and controlled by the defendants and used to perpetuate their fraudulent scheme.

In 2003, the defendants devised a plan to fraudulently secure mortgage proceeds from banks by misrepresenting to such banks the legal descriptions, title and lien history, and ownership of real estate the defendants were intending to purchase. They began their scheme by contracting to purchase multi-acre tracts of land. However, before actually purchasing a particular multi-acre tract, they would covertly and fictitiously subdivide the multi-acre tract on paper and fraudulently manipulate the legal descriptions and title history of the property, and sometimes manufacture false warranty deeds, in order to secure mortgages on the individual, fraudulently-subdivided plots of land from multiple banks using various shell companies owned and controlled by the defendants. Based upon these fraudulently-manufactured documents and misrepresentations, the scheme resulted in the defendants being able to borrow a larger aggregate amount of money for the purchase of the land fictitiously subdivided than they would have otherwise received if the entire tract had been financed legally via a single loan from one bank. The defendants used the excess mortgage proceeds they

received from this fraudulent scheme to pay the respective mortgages on the property financed, enrich themselves, and continue their scheme of fraudulently securing mortgage proceeds on covertly and fictitiously-subdivided land using manipulated legal descriptions and sometimes false warranty deeds. This fraud blossomed into one of the largest commercial mortgage fraud Ponzi schemes ever witnessed in the State of Mississippi.

The defendants continued acquiring property through this scheme for a number of years by using different banks and appraisal companies, as well as various shell companies owned and controlled by the defendants, and by falsifying the financial statements of Chris Evans in order to continue to secure such fraudulent financing. The defendants' scheme covered property from Madison County, Mississippi, to Southaven, Mississippi, to the State of Texas.

After the defendants could no longer locate suitable property upon which they could execute this scheme, they began "double pledging" their existing property, that is, they began fraudulently securing new, additional mortgages on their already-encumbered property by selling such property to other shell companies that they also owned, and manipulating the certificates of title and lien history (and, in some instances, legal descriptions) of such property in order to misrepresent and conceal encumbrances upon such land to the lending financial institutions and to title insurance companies. As a result, each lending financial institution materially relied upon such misrepresentations, believing it had received a priority security interest in the subject property as collateral for the respective loan, when in fact it had not. Charles Evans would perform the fraudulent title work for these real property transactions, including the creation of false certificates of title upon which the title insurance commitments would be issued and upon which banks would write mortgages and disburse mortgage proceeds to shell companies owned and controlled by the defendants, and Charles Evans would perform the closings on most, if not all, of the real estate transactions. Contrary to the representations made by Charles Evans in certificates of title, record title to the subject property was almost never transferred into the subsequent entity owned and controlled by the defendants that actually borrowed the funds and in whose name title was insured. Rather, record title almost always remained in the name of the seller corporation owned and controlled by the defendants. Thus, banks that issued such loans were stuck with outstanding balances owed and no collateral, based upon the defendants' fraudulent misrepresentations as to the title and lien history of such property.

The defendants continued their fraudulent scheme for over 6 years until the scheme was discovered in September 2009. Their scheme encompassed over \$80 million dollars worth of loans, involved almost 30 shell or fictitious corporations created by the defendants to launder the fraudulently-obtained mortgage proceeds in order to perpetuate and conceal their crimes, and adversely affected almost 50 financial institutions and local governments.

"These defendants abused their oaths as attorneys in perpetuating this massive mortgage fraud Ponzi scheme, wreaking havoc on community banks, local municipalities, and hundreds of lives along the way. This case illustrates that mortgage fraud is not a victimless crime, and should be justly punished, as our neighborhoods and communities will still be reeling from the effects of this illicit behavior for years to come," said U.S. Attorney Dowdy

"This case demonstrates our efforts to combat mortgage fraud because of the threat it poses to our financial systems and to our economy" stated FBI Special Agent in Charge McMullen, "We appreciate the efforts of our partners in bringing this case to a successful resolution."

In announcing the indictment, U.S. Attorney Dowdy and FBI Special Agent in Charge McMullen praised the efforts of special agents from the FBI Office in Jackson, and Assistant U.S. Attorney Mike Hurst, who prosecuted the case.

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