

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

*San Diego, California*

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*For Immediate Release*

## **TEN CHARGED IN MULTIPLE MILLION DOLLAR MORTGAGE FRAUD SCHEME**

### **NEWS RELEASE SUMMARY** - April 16, 2012

United States Attorney Laura E. Duffy announced the unsealing of an 18-count indictment in federal court in San Diego charging ten individuals with conspiracy to commit mail and wire fraud, mail fraud, wire fraud, conspiracy to commit money laundering, and money laundering in connection with a mortgage fraud scheme which resulted in lenders funding over \$10,000,000 in mortgage loans.

Today United States Magistrate Judge William McCurine, Jr. arraigned Dana Merritt, a.k.a., Dana Hayden, on the indictment, which also charges Stacey Jones, Abigail Gonzalez, Leticia Miffleton, Sharlo Burris, Kendrick Green, Johnese Zeigler, Andre Simon, Gordon Simon, and Catherine Wheeler. The indictment was handed up by a federal grand jury on April 3, 2012.

According to the indictment, Jones, Merritt, and Gonzalez operated two companies. The first was Advanced Partnership Properties, was a mortgage processing center located at 8575 Los Coches Road,

El Cajon, California. The second was BYW Construction, a.k.a. BYW Inc., a.k.a. BYW was also located in El Cajon.

The indictment charges that Jones, Merritt, and Gonzalez processed fraudulent loan applications for Miffleton, Burris, Green, Andre Simon, Gordon Simon, Zeigler, and Wheeler to purchase multiple properties located within the Southern District of California and elsewhere. Specifically, the defendants submitted applications which misrepresented the borrower's intention to occupy the property, place of employment, income, and assets, so they could qualify for mortgage funding on each of the properties. The defendants also submitted false documents in support of the applications.

According to the indictment, the defendants and their co-conspirators would then divert tens of thousands of dollars per transaction from the loan proceeds to BYW's bank accounts using false claims for unsecured loans, liens, and notes on construction work that was never performed. After funneling the payments to BYW's bank accounts, the defendants caused the funds to be withdrawn or transferred to their own bank accounts for their own benefit and to further the scheme.

During today's court proceedings, Magistrate Judge McCurine set bail for Merritt in the amount of \$50,000.

Most of the remaining co-defendants are scheduled to be arraigned on April 19, 2012, before Magistrate Judge McCurine. After being arraigned, the defendants will next appear before United States District Chief Judge Barry Ted Moskowitz for a motion hearing on May 18, 2012, at 2:00 p.m.

This case is the product of a nationwide investigation by the Federal Bureau of Investigation and Internal Revenue Service, Criminal Investigation Division. The investigation involved offices in San Diego, California; Los Angeles, California; Tucson, Arizona; Fort Worth, Texas; New York; and West Virginia.

**DEFENDANTS**

**Criminal Case No. 12CR1278-BTM**

Stacey Jones  
Dana Merritt, a.k.a., Dana Hayden  
Abigail Gonzalez  
Leticia Miffleton  
Sharlo Burris  
Kendrick Green

Johnese Zeigler  
Andre Simon  
Gordon Simon  
Catherine Wheeler

## **SUMMARY OF CHARGES**

Count 1: Title 18, United States Code, Section 1349 - Conspiracy to Commit Mail and Wire Fraud  
Maximum penalties: 20 years' imprisonment, \$250,000 fine or twice the gross pecuniary gain or twice the gross pecuniary loss (whichever is greatest), \$100 special assessment, 3 years of supervised release

Counts 2-7: Title 18, United States Code, Section 1341 - Mail Fraud; Title 18, United States Code, Section 2 - Aiding and Abetting  
Maximum penalties: 20 years imprisonment, \$250,000 fine or twice the gross pecuniary gain or twice the gross pecuniary loss (whichever is greatest), \$100 special assessment, 3 years of supervised release

Counts 8-12: Title 18, United States Code, Section 1343 - Wire Fraud; Title 18, United States Code, Section 2 - Aiding and Abetting  
Maximum penalties: 20 years imprisonment, \$250,000 fine or twice the gross pecuniary gain or twice the gross pecuniary loss (whichever is greatest), \$100 special assessment, 3 years of supervised release

Count 13: Title 18, United States Code, Section 1956(h) - Conspiracy to Commit Money Laundering  
Maximum penalties: 20 years imprisonment, \$500,000 fine or twice the value of the property involved in the transaction (whichever is greatest), \$100 special assessment, 3 years of supervised release

Counts 14-18: Title 18, United States Code, Section 1956(a)(1)(B)(i) - Money Laundering  
Maximum penalties: 20 years imprisonment, \$500,000 fine or twice the value of the property involved in the transaction (whichever is greatest), \$100 special assessment, 3 years of supervised release

## **INVESTIGATING AGENCIES**

Federal Bureau of Investigation  
Internal Revenue Service - Criminal Investigation

**An indictment itself is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.**