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AT 8:30 M
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY
WILLIAM J. WALSH
CLERK

UNITED STATES OF AMERICA

v.

PATRICIA SMITH,
JAMILAH SMITH,
OLLIE RUDOLPH THAXTON, and
CAROL ASHLEY

:
: Criminal No. 10-184 (JBS)
:
: 18 U.S.C. §§ 982(a),
: 1343, 1349, 1956(h),
: 1957 & 2
:
: S U P E R S E D I N G
: I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting in Camden, charges:

COUNT 1

(Conspiracy To Commit Wire Fraud)

The Defendants and Co-conspirators

1. At all times relevant to this Indictment:

(a) Defendant PATRICIA SMITH was a resident of
Irvington, New Jersey.

(b) Defendant JAMILAH SMITH was a resident of
Irvington, New Jersey.

(c) Defendant OLLIE RUDOLPH THAXTON was a resident of
Union County, New Jersey.

(d) Defendant CAROL ASHLEY was a resident of Los
Angeles, California.

(e) N.T., who is named as a co-conspirator but not as a
defendant herein, resided in New Jersey, owned Oxford Funding
Group, a sole proprietorship located in Totowa, New Jersey, and

held himself out to be a provider of real estate investors.

(f) T.R., who is named as a co-conspirator but not as a defendant herein, resided in East Orange, New Jersey, owned EZ Go Financial Corporation located in Edison, New Jersey, and held himself out to be a provider of real estate investors.

(g) Darryl Henry, who is named as a co-conspirator but not as a defendant herein, resided in Somerset, New Jersey, owned the limited liability companies New Horizon Realty Group and Elite Auto Spa located in Somerset County, New Jersey, and held himself out to be a provider of real estate investors.

Other Entities

2. At all times relevant to this Indictment:

(a) The Surf Avenue Condominium was a real estate development which consisted of 8 condominium units located at 2100 Surf Avenue, North Wildwood, New Jersey 08260 (the "Surf Avenue Condominium").

(b) Countrywide Home Loans, Inc. ("Countrywide") was a financial lending institution located in Calabassas, California with a branch office located in Toms River, New Jersey.

(c) First Magnus Financial Corporation ("First Magnus") was a financial lending institution located in Tucson, Arizona.

(d) The Title Company of New Jersey ("TCNJ") was a title company at which real estate transactions took place and

had offices in Wildwood, New Jersey.

Mortgage Lending Generally

3. Mortgage loans were loans funded by banks and other financial institutions ("Lenders") to enable purchasers to finance the purchase of real estate. To apply for a mortgage loan, purchasers/borrowers typically filled out several forms, including a form called the Uniform Residential Loan Application. Lenders evaluated and relied upon the financial representations contained in the Uniform Residential Loan Application pertaining to the purchaser/borrower's income, credit eligibility, and down payment requirements, as well as other documents, in deciding whether to loan a particular purchaser/borrower money for a mortgage. In addition, Lenders also assessed the value of the real estate that would secure the mortgage loan by reviewing and relying on property appraisals and other documents.

4. After locating an available property of interest, a purchaser/borrower typically applied for a mortgage loan through a mortgage Lender or a mortgage originator. Generally, mortgage brokers were third parties who acted as an intermediary between a purchaser/borrower and a pool of potential Lenders, one of which was selected based on the purchaser/borrower's financing needs and ability to repay the loan. Mortgage brokers were generally responsible for collecting documents from the

purchaser/borrower in support of the mortgage loan, including the loan application. Additionally, the mortgage broker interviewed the proposed purchaser/borrower and obtained all pertinent data including the borrower's name, date of birth, social security number, home address, monthly base employment income, employer, assets, and liabilities. Frequently, the mortgage broker made the initial loan to the purchaser/borrower and then sold it to a Lender after a short period of time, usually between one to thirty days after making the loan. Other times, the mortgage broker simply obtained and verified all of the relevant information for the Lender, including information on the Uniform Residential Loan Application, and the Lender made the mortgage directly to the borrower. A mortgage originator also assisted a purchaser/borrower to complete a mortgage transaction. Unlike a mortgage broker, a mortgage originator distributed its own money to fund the mortgage.

5. Real estate appraisers were responsible for determining the fair market value of real estate properties. Fair market value was defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, in which the buyer and seller act prudently and knowledgeably, assuming the price is not affected by undue stimulus.

6. Frequently, the mortgage loan was closed at a

title company or an attorney's office. If a loan closed at a title company, the title company's escrow officers were responsible for depositing monetary instruments and funds provided by the purchaser/borrower (including down payments) and mortgage funds from the Lender (which were typically obtained by wire transfer) or on its behalf to the title company's escrow account, and, when authorized by the parties to the transaction and the Lender, for disbursing the funds from the escrow account to various individuals and entities as detailed on the U.S. Department of Housing and Urban Development Settlement Statement (hereinafter "HUD-1 Settlement Statement"). The HUD-1 Settlement Statement detailed the actual disbursement of monies, including mortgage fund loans, to the proper entities and/or individuals according to the original loan application.

7. After the loan application was approved, the mortgage Lender caused funds to be transmitted (typically by wire transfer) to a settlement agent, such as a title company or a closing attorney. The title companies and/or closing attorneys then distributed the funds according to the HUD-1 Settlement Statements, generally with a large portion of the funds being distributed to the seller of the property. After funding the mortgages, the mortgage Lenders either serviced the loans during the mortgage period or sold them in the secondary market.

The Conspiracy

8. From at least as early as in or about December 2006 through in or about February 2007, at Wildwood, in Cape May County, in the District of New Jersey, and elsewhere, defendants

PATRICIA SMITH,
JAMILAH SMITH,
OLLIE RUDOLPH THAXTON, and
CAROL ASHLEY

did knowingly and intentionally conspire and agree with each other and with N.T., T.R., Darryl Henry, and others to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice is set forth below in substance and in part, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

Object Of The Conspiracy

9. It was the object of the conspiracy, which caused more than one million dollars of losses to various Lenders, to profit from the sale of the Properties at inflated prices by obtaining mortgage loans for unqualified borrowers using fraudulent loan applications, HUD-1 Settlement Statements, and other documents.

Manner And Means Of The Conspiracy

10. It was part of the conspiracy that the conspirators arranged to sell real estate properties (the "Properties") to "straw purchasers," (the "Straw Purchasers") including defendants PATRICIA SMITH and JAMILAH SMITH, whom the conspirators knew had good credit scores, but lacked the financial resources to qualify for mortgage loans to purchase the Properties.

11. It was further part of the conspiracy that the Straw Purchasers, including defendants PATRICIA SMITH and JAMILAH SMITH, agreed that in exchange for purchasing the Properties in their names, the Straw Purchasers:

a. would neither pay deposits or closing costs to acquire the Properties; and/or

b. would receive an up-front payment after the closing for allowing their names and credit information to be used in connection with the transaction.

12. It was further part of the conspiracy that the conspirators, including defendants PATRICIA SMITH, JAMILAH SMITH, and CAROL ASHLEY falsified loan applications by providing false information concerning the employment, income, and assets of the Straw Purchasers such as defendants PATRICIA SMITH and JAMILAH SMITH.

13. It was further part of the conspiracy that the

conspirators, including defendants PATRICIA SMITH, JAMILAH SMITH, and CAROL ASHLEY submitted and caused to be submitted to the Lenders false and fraudulent mortgage loan applications and supporting documents to induce the Lenders to make the loans to the Straw Purchasers, including defendants PATRICIA SMITH and JAMILAH SMITH.

14. It was further part of the conspiracy that the conspirators, including defendants PATRICIA SMITH and JAMILAH SMITH, caused fraudulent documents to be prepared concerning the Properties, including HUD-1 Settlement Statements that were supposed to accurately reflect the amounts of money due from the Straw Purchasers and to be paid to the sellers to close the sales of the Properties.

15. It was further part of the conspiracy that prior to and during the closings, N.T., T.R., Darryl Henry, defendants PATRICIA SMITH and JAMILAH SMITH, and others caused the HUD-1 Settlement Statements, settlement disbursement sheets, and other documents to be manipulated, to show that the Straw Purchasers, including defendants PATRICIA SMITH and JAMILAH SMITH, brought their own funds to the closing when, in fact, the Straw Purchasers did not.

16. It was further part of the conspiracy that the conspirators, including N.T., T.R., and Darryl Henry, took proceeds from the fraudulent mortgage loans by having funds wired

into various accounts that they controlled. The Straw Purchasers, including defendants PATRICIA SMITH and JAMILAH SMITH, were paid a portion of the funds, and the recruiters of the Straw Purchasers, such as defendant OLLIE RUDOLPH THAXTON and Darryl Henry, shared the remainder of the funds with other co-conspirators, such as N.T. and T.R.

Unit 6 of the Surf Avenue Condominium

17. It was further part of the conspiracy that in or about December 2006, defendant JAMILAH SMITH agreed with Darryl Henry, defendant OLLIE RUDOLPH THAXTON, and others to purchase Unit 6 of the Surf Avenue Condominium for \$525,000.

18. It was further part of the conspiracy that on or about December 29, 2006, defendant JAMILAH SMITH signed two Uniform Residential Loan Applications knowing that false information was contained thereon and knowing that these documents would be submitted to the lender, including:

a. falsely stating that she was employed by RNJ Investment Group, located at 16 Hillridge Court, St. Charles, Missouri 63303 for the past four years;

b. falsely stating that she was making \$14,584.27 in monthly income from RNJ Investment Group;

c. falsely stating that she had \$103,253.61 in a Wachovia Bank checking account; and

d. falsely stating that the property for which

she sought the loans would be her primary residence.

19. It was further part of the conspiracy that on or about December 29, 2006, defendant JAMILAH SMITH signed a HUD-1 Settlement Statement which falsely stated that she was providing \$35,145.33 in funds to TCNJ as funds to be applied for purchasing Unit 6 of the Surf Avenue Condominium.

20. It was further part of the conspiracy that on or about December 29, 2006, defendant JAMILAH SMITH and others caused Countrywide to wire transfer \$414,658.83 to TCNJ representing the net proceeds of defendant JAMILAH SMITH's first mortgage for Unit 6 of the Surf Avenue Condominium.

21. It was further part of the conspiracy that on or about December 29, 2006, defendant JAMILAH SMITH and others caused Countrywide to wire transfer \$81,750.00 to TCNJ representing the net proceeds of defendant JAMILAH SMITH's secondary mortgage for Unit 6 of the Surf Avenue Condominium.

22. It was further part of the conspiracy that on or about January 2, 2007, N.T. caused \$35,145.33 to be wire transferred from a bank account controlled by N.T. in the name of Oxford Funding Group which represented monies for defendant JAMILAH SMITH's cash due at settlement for the sale of Unit 6 of the Surf Avenue Condominium.

23. It was further part of the conspiracy that on or about January 2, 2007, T.R. caused TCNJ to issue check number

131489 payable to T.R. in the amount of \$178,125.00 which T.R. caused to be deposited into his EZ Go Financial Corporation Bank of America bank account on or about January 4, 2007.

24. It was further part of the conspiracy that on or about January 5, 2007, T.R. caused \$57,531.00 to be wire transferred from his E.Z. Go Financial Corporation Bank of America bank account to Darryl Henry's New Horizon Realty Group Commerce Bank account, which included defendant JAMILAH SMITH's payment for purchasing Unit 6 of the Surf Avenue Condominium in her name and defendant OLLIE RUDOLPH THAXTON and Darryl Henry's payment for recruiting JAMILAH SMITH to do so.

25. It was further part of the conspiracy that on or about January 5, 2007, Darryl Henry issued Check Number 1745 to defendant OLLIE RUDOLPH THAXTON in the amount of \$5,000 drawn on his New Horizon Realty Group Commerce Bank account representing RUDOLPH THAXTON's payment for recruiting defendant JAMILAH SMITH to purchase Unit 6 of the Surf Avenue Condominium.

26. It was further part of the conspiracy that on or about January 12, 2007, Darryl Henry caused \$33,437.62 to be wire transferred from his New Horizon Realty Group Commerce Bank account to a Wachovia Bank account controlled by defendant JAMILAH SMITH representing defendant JAMILAH SMITH's payment for purchasing Unit 6 of the Surf Avenue Condominium in her name.

Unit 3 of the Surf Avenue Condominium

27. It was further part of the conspiracy that in or about December 2006, defendant JAMILAH SMITH agreed with Darryl Henry, defendant OLLIE RUDOLPH THAXTON, and others to purchase Unit 3 of the Surf Avenue Condominium for \$465,000.

28. It was further part of the conspiracy that on or about January 9, 2007, defendant JAMILAH SMITH signed two Uniform Residential Loan Applications knowing that false information was contained thereon and knowing that these documents would be submitted to the lender, including:

a. falsely stating that she was employed by RNJ Investment Group, located at 2460 Arbor Lake Lane, Suite 828, Indianapolis, Missouri 63303 for the past four years and one month;

b. falsely stating that she was making \$14,584.26 in monthly income from RNJ Investment Group; and

c. falsely stating that she had \$67,370.61 in a Wachovia Bank checking account and had used \$35,883.00 to purchase Unit 6 of the Surf Avenue Condominium.

29. It was further part of the conspiracy that on or about January 9, 2007, N.T. caused \$33,000.00 to be wire transferred from a bank account controlled by N.T. in the name of Oxford Funding Group which represented a portion of the amount defendant JAMILAH SMITH owed at settlement for the sale of Unit 3

of the Surf Avenue Condominium.

30. It was further part of the conspiracy that on or about January 9, 2007, defendant JAMILAH SMITH signed a HUD-1 Settlement Statement which falsely stated that she was providing \$46,591.62 in funds to TCNJ as funds to be applied for purchasing Unit 3 of the Surf Avenue Condominium.

31. It was further part of the conspiracy that on or about January 9, 2007, defendant JAMILAH SMITH and others caused Countrywide to wire transfer \$354,131.30 to TCNJ representing the net proceeds of defendant JAMILAH SMITH's first mortgage for Unit 3 of the Surf Avenue Condominium.

32. It was further part of the conspiracy that on or about January 9, 2007, defendant JAMILAH SMITH and others caused Countrywide to wire transfer \$69,750.00 to TCNJ representing the net proceeds of defendant JAMILAH SMITH's secondary mortgage for Unit 3 of the Surf Avenue Condominium.

33. It was further part of the conspiracy that on or about January 8, 2007, N.T. caused TCNJ to issue check number 131576 payable to N.T. in the amount of \$100,489.38 which N.T. caused to be deposited into his Oxford Funding Group Bank of America bank account on or about January 11, 2007. This was \$13,591.62 less than the \$114,081.00 N.T. was supposed to receive per the HUD-1 Settlement Statement due to the fact that defendant JAMILAH SMITH's cash due at settlement was short \$13,591.62.

34. It was further part of the conspiracy that on or about January 11, 2007, N.T. caused \$51,224.68 to be wire transferred from his Oxford Funding Group Bank of America bank account to Darryl Henry's Elite Auto Spa Commerce Bank account, which included defendant JAMILAH SMITH's payment for purchasing Unit 3 of the Surf Avenue Condominium in her name and defendant OLLIE RUDOLPH THAXTON and Darryl Henry's payment for recruiting JAMILAH SMITH to do so.

35. It was further part of the conspiracy that on or about January 12, 2007, Darryl Henry caused \$31,610.08 to be wire transferred from his Elite Auto Spa Commerce Bank account to a Wachovia Bank account controlled by defendant JAMILAH SMITH representing defendant JAMILAH SMITH's payment for purchasing Unit 3 of the Surf Avenue Condominium in her name.

Unit 7 of the Surf Avenue Condominium

36. It was further part of the conspiracy that in or about December 2006, defendant PATRICIA SMITH agreed with Darryl Henry, defendant OLLIE RUDOLPH THAXTON, and others to purchase Unit 7 of the Surf Avenue Condominium for \$530,000.

37. It was further part of the conspiracy that on or about January 7, 2007, defendant CAROL ASHLEY falsely verified that defendant PATRICIA SMITH was employed by Exclusive Entertainment Production Group, located at 229 East Queen Street, Inglewood, California 90301.

38. It was further part of the conspiracy that on or about January 12, 2007, defendant PATRICIA SMITH signed two Uniform Residential Loan Applications knowing that false information was contained thereon and knowing that these documents would be submitted to the lender, including:

a. falsely stating that she was employed by Exclusive Entertainment Production Group, located at 229 East Queen Street, Inglewood, California 90301 for the past four years and five months;

b. falsely stating that she was making \$14,333.33 in monthly income from Exclusive Entertainment Production Group;

c. falsely stating that she had \$91,515.83 in a savings account; and

d. falsely stating that the property for which she sought the loans would be her primary residence.

39. It was further part of the conspiracy that on or about January 12, 2007, T.R. caused \$17,000.00 to be wire transferred from a bank account controlled by T.R. in the name of EZ Go Financial Corporation which represented monies for defendant PATRICIA SMITH's cash due at settlement for the sale of Unit 7 of the Surf Avenue Condominium.

40. It was further part of the conspiracy that on or about January 12, 2007, defendant PATRICIA SMITH signed a HUD-1

Settlement Statement which falsely stated that she was providing \$11,741.95 in funds to TCNJ as funds to be applied for purchasing Unit 7 of the Surf Avenue Condominium.

41. It was further part of the conspiracy that on or about January 12, 2007, defendant PATRICIA SMITH and others caused Countrywide to wire transfer \$419,722.80 to TCNJ representing the net proceeds of defendant PATRICIA SMITH's first mortgage for Unit 7 of the Surf Avenue Condominium.

42. It was further part of the conspiracy that on or about January 12, 2007, defendant PATRICIA SMITH and others caused Countrywide to wire transfer approximately \$105,000.00 to TCNJ representing the net proceeds of defendant PATRICIA SMITH's secondary mortgage for Unit 7 of the Surf Avenue Condominium.

43. It was further part of the conspiracy that on or about January 12, 2007, T.R. caused TCNJ to issue check number 131668 payable to T.R. in the amount of \$186,025.05 which T.R. caused to be deposited into T.R.'s EZ Go Financial Corporation Bank of America bank account on or about January 16, 2007.

44. It was further part of the conspiracy that on or about January 17, 2007, T.R. caused \$106,700.00 to be wire transferred from his EZ Go Financial Corporation Bank of America bank account to Darryl Henry's Elite Auto Spa Commerce Bank account, which included defendant PATRICIA SMITH's payment for purchasing Unit 7 of the Surf Avenue Condominium in her name and

defendant OLLIE RUDOLPH THAXTON and Darryl Henry's payment for recruiting PATRICIA SMITH to do so.

45. It was further part of the conspiracy that on or about January 17, 2007, Darryl Henry issued Check Number 1022 to defendant OLLIE RUDOLPH THAXTON in the amount of \$8,000 drawn on his Elite Auto Spa Commerce Bank account representing RUDOLPH THAXTON's payment for recruiting defendant PATRICIA SMITH to purchase Unit 7 of the Surf Avenue Condominium. This payment was also RUDOLPH THAXTON's payment for recruiting defendant JAMILAH SMITH to purchase Unit 3 of the Surf Avenue Condominium.

46. It was further part of the conspiracy that on or about January 18, 2007, Darryl Henry caused \$40,396.66 to be wire transferred from his Elite Auto Spa Commerce Bank account to a Wachovia Bank account controlled by defendant PATRICIA SMITH representing defendant PATRICIA SMITH's payment for purchasing Unit 7 of the Surf Avenue Condominium in her name.

Unit 8 of the Surf Avenue Condominium

47. It was further part of the conspiracy that in or about January 2007, defendant PATRICIA SMITH agreed with Darryl Henry, defendant OLLIE RUDOLPH THAXTON, and others to purchase Unit 8 of the Surf Avenue Condominium for \$500,000.

48. It was further part of the conspiracy that on or about February 5, 2007, defendant CAROL ASHLEY caused defendant PATRICIA SMITH's employment to be falsely verified, namely, that

PATRICIA SMITH was employed by Exclusive Entertainment Production Group, located at 229 East Queen Street, Inglewood, California 90301.

49. It was further part of the conspiracy that on or about February 5, 2007, defendant PATRICIA SMITH signed a Uniform Residential Loan Application knowing that false information was contained thereon and knowing that this document would be submitted to the lender, including:

a. falsely stating that she was employed by Exclusive Entertainment Production Group, located at 229 East Queen Street, Inglewood, California 90301 for the past four years;

b. falsely stating that she was making \$21,416.67 in monthly income from Exclusive Entertainment Production Group;

c. falsely stating that she had \$81,617.00 in a Chase Bank account; and

d. falsely stating that the property was going to be her secondary residence.

50. It was further part of the conspiracy that on or about February 5, 2007, defendant PATRICIA SMITH signed a HUD-1 Settlement Statement which falsely stated that she was providing \$25,178.19 in funds to TCNJ as funds to be applied for purchasing Unit 8 of the Surf Avenue Condominium.

51. It was further part of the conspiracy that on or about February 5, 2007, defendant PATRICIA SMITH and others caused First Magnus to wire transfer \$496,484.01 to TCNJ representing the net proceeds of defendant PATRICIA SMITH's mortgage for Unit 8 of the Surf Avenue Condominium.

52. It was further part of the conspiracy that on or about February 6, 2007, N.T. caused \$25,178.19 to be wire transferred from a Chase Bank account controlled by N.T. in the name of Oxford Funding Group which represented monies for defendant PATRICIA SMITH's cash due at settlement for the sale of Unit 8 of the Surf Avenue Condominium.

53. It was further part of the conspiracy that on or about February 7, 2007, N.T. caused TCNJ to wire transfer \$151,055.00 to N.T.'s Oxford Funding Group Chase Bank account.

54. It was further part of the conspiracy that on or about February 9, 2007, Darryl Henry deposited check number 5122 in the amount of \$85,114.60 payable to New Horizon Realty Group issued by N.T. which included defendant PATRICIA SMITH's payment for purchasing Unit 8 of the Surf Avenue Condominium in her name and defendant OLLIE RUDOLPH THAXTON and Darryl Henry's payment for recruiting PATRICIA SMITH to do so.

55. It was further part of the conspiracy that on or about February 12, 2007, Darryl Henry caused \$42,350.14 to be wire transferred from his New Horizon Realty Group Commerce Bank

account to a Wachovia Bank account controlled by defendant PATRICIA SMITH representing defendant PATRICIA SMITH's payment for purchasing Unit 8 of the Surf Avenue Condominium in her name.

56. It was further part of the conspiracy that on or about February 12, 2007, Darryl Henry issued Check Number 1780 to defendant OLLIE RUDOLPH THAXTON in the amount of \$5,000 drawn on his New Horizon Realty Group Commerce Bank account representing RUDOLPH THAXTON's payment for recruiting defendant PATRICIA SMITH to purchase Unit 8 of the Surf Avenue Condominium.

In violation of Title 18, United States Code, Section 1349.

COUNTS 2 - 5**(Wire Fraud)**

1. Paragraphs 1 through 7 and 9 through 56 of Count 1 of this Indictment are hereby realleged and incorporated as though set forth in full herein.

2. On or about the dates listed below, at Wildwood, in Cape May County, in the District of New Jersey and elsewhere, having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, the defendant specified per count below did knowingly and with fraudulent intent transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, namely the specified electronic wire transfers originating in the specified States of the specified approximate amounts of money to TCNJ in New Jersey in connection with mortgage loans for the specified properties, for the purpose of executing such scheme and artifice:

Count	Defendant	Date	Amount	Property	From	To
2	Jamilah Smith Ollie Rudolph Thaxton	12/29/06	\$414,658.83	Unit 6 Surf Avenue Condo.	New York	New Jersey

3	Jamilah Smith Ollie Rudolph Thaxton	1/9/07	\$354,131.30	Unit 3 Surf Avenue Condo.	New York	New Jersey
4	Patricia Smith Ollie Rudolph Thaxton Carol Ashley	1/12/07	\$419,722.80	Unit 7 Surf Avenue Condo.	New York	New Jersey
5	Patricia Smith Ollie Rudolph Thaxton Carol Ashley	2/5/07	\$496,484.01	Unit 8 Surf Avenue Condo.	California	New Jersey

In violation of Title 18, United States Code, Section 1343 and Section 2.

COUNT 6

(Conspiracy To Commit Money Laundering)

1. Paragraphs 1 through 7 and 9 through 56 of Count 1 of this Indictment are hereby realleged and incorporated as though set forth in full herein.

2. From at least as early as in or about December 2006 through in or about February 2007, at Irvington, in Union County, in the District of New Jersey and elsewhere, defendants

PATRICIA SMITH and
JAMILAH SMITH

did knowingly conspire with each other and others to engage in monetary transactions, namely, deposits, withdrawals, transfers and exchanges of U.S. currency and monetary instruments, through financial institutions affecting interstate commerce, in criminally derived property of a value greater than \$10,000 that was derived from specified unlawful activity, namely, conspiracy to commit wire fraud and wire fraud, contrary to Title 18, United States Code, Section 1957.

3. As part of the conspiracy, defendants PATRICIA SMITH and JAMILAH SMITH and their co-conspirators caused more than one million dollars in fraudulent mortgage loans to be funded during 2006 and 2007 to enable unqualified Straw Purchasers, including defendants PATRICIA SMITH and JAMILAH SMITH, to purchase the Properties. Once the funds for these

mortgages were deposited into TCNJ's escrow account, defendants PATRICIA SMITH and JAMILAH SMITH and their co-conspirators extracted proceeds from the fraud through wire transfers and checks to N.T. and T.R. who, in turn, transmitted a portion of those proceeds to Daryl Henry who then transmitted a portion of those proceeds to defendants PATRICIA SMITH and JAMILAH SMITH.

4. As further part of the conspiracy, defendant JAMILAH SMITH on January 12, 2007 caused \$33,437.62 to be deposited via wire transmission into her Wachovia Bank account which was an illegal kickback payment for defendant JAMILAH SMITH's role in purchasing Unit 6 of the Surf Avenue Condominium and fraudulently obtaining a mortgage loan on that property.

5. As further part of the conspiracy, defendant JAMILAH SMITH on January 12, 2007 caused \$31,610.08 to be deposited via wire transmission into her Wachovia Bank account which was an illegal kickback payment for defendant JAMILAH SMITH's role in purchasing Unit 3 of the Surf Avenue Condominium and fraudulently obtaining a mortgage loan on that property.

6. As further part of the conspiracy, defendant PATRICIA SMITH on January 18, 2007 caused \$40,396.66 to be deposited via wire transmission into her Wachovia Bank account which was an illegal kickback payment for defendant PATRICIA SMITH's role in purchasing Unit 7 of the Surf Avenue Condominium and fraudulently obtaining a mortgage loan on that property.

7. As further part of the conspiracy, defendant PATRICIA SMITH on February 12, 2007 caused \$42,350.14 to be deposited via wire transmission into her Wachovia Bank account which was an illegal kickback payment for defendant PATRICIA SMITH's role in purchasing Unit 8 of the Surf Avenue Condominium and fraudulently obtaining a mortgage loan on that property.

In violation of Title 18, United States Code, Section 1956(h) .

COUNTS 7 - 10**(Money Laundering)**

1. Paragraphs 1 through 7 and 9 through 56 of Count 1 and paragraphs 3 through 7 of Count 6 of this Indictment are hereby realleged and incorporated as though set forth in full herein.

2. On or about the dates listed below, in Irvington, in Union County, in the District of New Jersey, and elsewhere, the defendants listed individually per count below did knowingly engage and attempt to engage in monetary transactions, namely, deposits, withdrawals, transfers, and exchanges of U.S. currency and monetary instruments, through financial institutions affecting interstate commerce, in criminally derived property of a value greater than \$10,000 that was derived from specified unlawful activity, namely, conspiracy to commit wire fraud and wire fraud:

<u>Count</u>	<u>Defendant</u>	<u>Date</u>	<u>Amount</u>	<u>Source</u>	<u>Deposited by</u>
7	Jamilah Smith	1/12/07	\$33,437.62	Wire transfer from Darryl Henry's New Horizon Realty Group Commerce Bank account	Jamilah Smith
8	Jamilah Smith	1/12/07	\$31,610.08	Wire transfer from Darryl Henry's Elite Auto Spa Commerce Bank account	Jamilah Smith
9	Patricia Smith	1/18/07	\$40,396.66	Wire transfer from Darryl Henry's Elite Auto Spa Commerce Bank account	Patricia Smith

10	Patricia Smith	2/12/07	\$42,350.14	Wire transfer from Darryl Henry's New Horizon Realty Group Commerce Bank account	Patricia Smith
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In violation of Title 18, United States Code, Section 1957
and Section 2.

FIRST CRIMINAL FORFEITURE ALLEGATION

1. The United States hereby gives notice to defendant PATRICIA SMITH that, upon her conviction of the offenses in violation of Title 18, United States Code, Sections 1956(h) and 1957 charged in Counts 6, 9, and 10 of this Indictment, the Government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(1), of all property, real and personal, involved in those offenses, and all property traceable thereto, including but not limited to a sum of money equal to at least approximately \$82,746.80 in United States currency, representing the amount of proceeds obtained as a result of the offenses, for which the defendant is jointly and severally liable.

2. If any of the above-described forfeitable property, as a result of any act or omission of defendant PATRICIA SMITH:

- a. cannot be located upon the exercise of due diligence;
 - b. has been transferred or sold to, or deposited with, a third party;
 - c. has been placed beyond the jurisdiction of the court;
 - d. has been substantially diminished in value;
- or
- e. has been commingled with other property

which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of defendant PATRICIA SMITH up to the value of the forfeitable property described above.

Pursuant to Title 18, United States Code, Section 982(a)(1).

SECOND CRIMINAL FORFEITURE ALLEGATION

1. The United States hereby gives notice to defendant JAMILAH SMITH that, upon her conviction of the offenses in violation of Title 18, United States Code, Sections 1956(h) and 1957 charged in Counts 6, 7, and 8 of this Indictment, the Government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(1), of all property, real and personal, involved in those offenses, and all property traceable thereto, including but not limited to a sum of money equal to at least approximately \$65,047.70 in United States currency, representing the amount of proceeds obtained as a result of the offenses, for which the defendant is jointly and severally liable.

2. If any of the above-described forfeitable property, as a result of any act or omission of defendant JAMILAH SMITH:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value;
or

e. has been commingled with other property

which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of defendant JAMILAH SMITH up to the value of the forfeitable property described above.

Pursuant to Title 18, United States Code, Section 982(a)(1).

THIRD CRIMINAL FORFEITURE ALLEGATION

1. The United States hereby gives notice to defendant OLLIE RUDOLPH THAXTON that, upon her conviction of the offense in violation of Title 18, United States Code, Section 1349 charged in Count 1 of this Indictment and upon her conviction of the offenses in violation of Title 18, United States Code, Section 1343 charged in Counts 2, 3, 4, and 5 of this Indictment, the Government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(2)(A), of all property, real and personal, involved in those offenses, and all property traceable thereto, including but not limited to a sum of money equal to at least approximately \$23,000.00 in United States currency, representing the amount of proceeds obtained as a result of the offenses, for which the defendant is jointly and severally liable.

2. If any of the above-described forfeitable property, as a result of any act or omission of defendant OLLIE RUDOLPH THAXTON:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

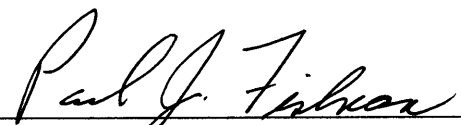
d. has been substantially diminished in value;
or

e. has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of defendant OLLIE RUDOLPH THAXTON up to the value of the forfeitable property described above.

Pursuant to Title 18, United States Code, Section 982(a)(2)(A), and Title 28, United States Code, Section 2461(c).

A TRUE BILL

FOREPERSON


PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBERS: 2009RO0601 and 2009RO0604

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

**PATRICIA SMITH,
JAMILAH SMITH,
OLLIE RUDOLPH THAXTON, and
CAROL ASHLEY**

SUPERSEDING INDICTMENT FOR

Title 18, United States Code,
Sections 982(a), 1343, 1349, 1349, 1956(h), 1957, and 2

A True Bill, , /

Foreperson

PAUL J. FISHMAN

*U.S. ATTORNEY
NEWARK, NEW JERSEY*

R. STEPHEN STIGALL
*ASSISTANT U.S. ATTORNEY
(856) 757-5026*