

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : INDICTMENT  
-v.- : S1 09 Cr. 507 (KMW)  
LAVETTE M. BILLS, :  
KIRK LACEY, :  
WAYNE GREEN, :  
SHERESE W. GLENN, :  
REVLON HINDS, :  
JOSEPH EVANS, :  
JERRY CALONGE, :  
MARK BARNETT, :  
OMAR HENRY, and :  
PETER CHEVERE, :  
 :  
Defendants. :  
 :  
- - - - - X

COUNT ONE  
(Conspiracy to Commit Bank Fraud and Wire Fraud)

The Grand Jury charges:

BACKGROUND

1. At all times relevant to this Indictment, MTC Real Estate, Inc. ("MTC") was a real estate company located in the Bronx, New York. LAVETTE M. BILLS, the defendant, was the chief executive officer of MTC. At various times relevant to this Indictment, KIRK LACEY, OMAR HENRY, and PETER CHEVERE, the defendants, worked at MTC.
2. At all times relevant to this Indictment, NNI, LLC ("NNI") was a limited liability company controlled by LAVETTE M. BILLS, the defendant, which BILLS used to purchase and sell certain residential properties.

3. At all times relevant to this Indictment, Recani, Inc. ("Recani") was a corporation registered to do business in the State of New York. REVLON HINDS, the defendant, was the purported president of Recani, but in truth and in fact, Recani was controlled by WAYNE GREEN, the defendant, who used it to purchase and sell certain residential properties.

4. At all times relevant to this Indictment, Exquisite Funding Corp. ("Exquisite") and Sapphire Capital Inc. or Sapphire Capital Corp. ("Sapphire") were mortgage brokerage firms operating in the New York City metropolitan area. At various times relevant to this Indictment, WAYNE GREEN and SHERESE W. GLENN, the defendants, processed home mortgage loans through Exquisite and Sapphire.

5. At all times relevant to this Indictment, J.P. Morgan Chase Bank, N.A. and IndyMac Bank F.S.B. were financial institutions, the deposits of which were insured by the Federal Deposit Insurance Corporation.

#### **THE SCHEME TO DEFRAUD**

6. At all times relevant to this Indictment, and through the mortgage fraud scheme described herein, LAVETTE M. BILLS, KIRK LACEY, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, JERRY CALONGE, MARK BARNETT, OMAR HENRY, and PETER CHEVERE, the defendants, and others known and unknown, fraudulently brokered, obtained, and assisted others in obtaining

certain home mortgage loans from various lending institutions (the "lenders"). Through their scheme, the defendants obtained numerous home mortgage loans under false and fraudulent pretenses with a total face value of over \$5.6 million in order to enrich themselves and their co-conspirators. Many of these loans are now in default and/or foreclosure.

7. In furtherance of the scheme to defraud, from at least in or about 2006, up to and including in or about March 2009, the defendants, and others known and unknown, prepared and submitted applications and supporting documentation for home mortgage loans with false or misleading information, in order to induce lenders to make loans to persons and at terms that the lenders otherwise would not have funded.

8. As part of the scheme to defraud, the defendants identified residential properties located in New York City that were in default or foreclosure and could therefore be purchased at a low price (the "target properties"). For example, LAVETTE M. BILLS, the defendant, through MTC, specifically targeted homeowners who had fallen behind on their mortgage payments and whose homes were facing foreclosure by, among other things, running radio advertisements and appearing on radio programs representing that she was a foreclosure specialist and had the ability to keep a home from going into foreclosure.

9. As a further part of the scheme to defraud, in most instances the defendants induced homeowners to sell and/or transfer the target properties to an entity controlled by the defendants, such as NNI or Recani, usually through a "short sale" transaction, in which the lender agreed to sell the property for less than the balance owed on the loan and to forgive the remainder of the loan. Unbeknownst to the lenders, who approved the short sales, or the homeowners, the defendants then resold the target properties to a third party, or "straw buyer," at an inflated price, usually on the same day or within a short period of time. The inflated sale price in the second transactions, or "flips," was often significantly higher -- generally by \$150,000 or more -- than the short sale price, yet the homeowners typically received little or no money from the sale of their homes. In most instances, the defendants completed the flip transactions by using the home mortgage loan funds obtained from the lenders for the straw buyers to pay off the short sale price of the target properties. The difference between the home mortgage loan amounts and the short sale price represented, in part, the defendants' profits from the scheme.

10. In furtherance of the scheme, the defendants recruited individuals with minimal real estate experience and good credit scores to act as straw buyers for the target properties and to obtain home mortgage loans to fund the purchase

of the target properties at inflated prices. The defendants recruited such straw buyers by, among other things, telling them that they were helping the homeowner "save" his or her home from foreclosure, or falsely telling them that purchasing the target properties would be a good investment opportunity. In some instances, the straw buyers were paid money, either as a fee, or in order to pay for the renovation of the target properties or other expenses. The straw buyers were also often told by the defendants that they would not need to make mortgage payments on the target properties, either because the payments would be made on their behalf, or because the payments would be covered by rental income from tenants. However, in most instances, contrary to what the straw buyers had been told by the defendants, no payments were made on the mortgages, or payments on the mortgages ceased being made after a certain period of time, and the target properties went into default or foreclosure.

11. As a further part of the scheme to defraud, the defendants induced lenders to give the straw buyers home mortgage loans to fund the purchases of the target properties, which the straw buyers could not otherwise afford, by falsifying certain personal and financial information about the straw buyers that was material to the lenders in their lending decisions. For example, using Exquisite, Sapphire, and other mortgage brokerage firms, the defendants prepared and submitted to the lenders

documents containing false and misleading information concerning the straw buyers' employment, income, and assets, among other things, even sometimes cutting and pasting signatures onto documents submitted to the lenders.

12. As a further part of the scheme to defraud, and in addition to false statements concerning the straw buyers' financial profile, in most instances the defendants falsely represented to the lenders that the straw buyers intended to reside primarily in the property securing each mortgage or loan, when, in truth and in fact, as the defendants well knew, the straw buyers did not intend to live in the target properties.

13. As a further part of the scheme to defraud, and in order to induce the lenders to issue loans in amounts well above the short sale price, the defendants, along with other co-conspirators not named herein, often prepared or caused to be prepared additional fraudulent documents to be submitted to the lenders through Exquisite, Sapphire, and other mortgage brokerage firms in support of the home mortgage loan applications, such as false title documents. These title documents purported to show that title to the target properties was "seasoned," that is, that the seller of the property, usually NNI or Recani, had held title for a certain length of time, when in truth and in fact, as the defendants well knew, the seller had typically obtained title to the property shortly prior to the sale to the straw buyer, or

even the same day.

14. As a further part of the scheme to defraud, and in order to avoid detection by the lenders of the fraudulent nature of the home mortgage loans, in some instances the defendants would cause monthly payments to be made towards the straw buyers' loans for an initial period of time so that the loans would not go into default.

15. As a further part of the scheme to defraud, the defendants involved in each transaction distributed the proceeds from the fraudulently obtained home mortgage loans amongst themselves and their co-conspirators for their personal gain. The defendants also obtained significant fees in connection with the fraudulent transactions from their respective roles as real estate agents, mortgage brokers, recruiters, and/or loan processors.

#### THE DEFENDANTS

16. At various times relevant to this Indictment, LAVETTE M. BILLS, the defendant, was a licensed real estate broker and the chief executive officer of MTC. BILLS was responsible for running the day-to-day operations of MTC and hiring MTC's employees. BILLS often identified the properties to be purchased by the straw buyers, met and communicated with homeowners and straw buyers, and attended real estate closings and signed documents on behalf of NNI, which she controlled.

17. At various times relevant to this Indictment, KIRK LACEY, the defendant, was employed by MTC. LACEY was responsible for, among other things, recruiting individuals to provide false verifications of employment in connection with home mortgage loan applications, and attending real estate closings and signing documents on behalf of NNI.

18. At various times relevant to this Indictment, WAYNE GREEN, the defendant, controlled Recani, which he used to purchase and sell certain residential properties as part of the scheme to defraud alleged herein. GREEN supervised and coordinated the preparation of fraudulent home mortgage loan applications through, among other mortgage brokerage companies, Exquisite and Sapphire, oversaw the submission of the fraudulent applications to the lenders, and directed the actions of other co-conspirators.

19. At various times relevant to this Indictment, SHERESE W. GLENN, the defendant, worked with WAYNE GREEN, the defendant, in preparing or causing to be prepared fraudulent home mortgage loan applications, which GLENN then submitted to the lenders through, among other mortgage brokerage companies, Exquisite and Sapphire.

20. At various times relevant to this Indictment, REVLON HINDS, the defendant, was the purported president of Recani. HINDS attended real estate closings and signed documents



on behalf of Recani.

21. At various times relevant to this Indictment, JOSEPH EVANS and JERRY CALONGE, the defendants, recruited straw buyers to purchase certain residential properties from Recani. In addition, EVANS obtained a power of attorney for at least one of the straw buyers and signed closing documents on the straw buyer's behalf.

22. At various times relevant to this Indictment, MARK BARNETT, the defendant, was a loan officer employed by Golden First Mortgage Corporation. BARNETT processed at least three home mortgage loans for straw buyers who had been recruited to purchase properties from NNI through transactions arranged by MTC.

23. At various times relevant to this Indictment, OMAR HENRY, the defendant, was employed by MTC. HENRY reported to LAVETTE M. BILLS, the defendant, and was responsible for, among other things, negotiating short sales, preparing home mortgage loan applications, and submitting documents to the mortgage brokers and/or the lenders in connection with those applications.

24. At various times relevant to this Indictment, PETER CHEVERE, the defendant, was employed by MTC. CHEVERE reported to LAVETTE M. BILLS, the defendant, and was responsible for, among other things, preparing home mortgage loan applications and communicating with the mortgage brokers and/or

the lenders in connection with those applications.

**FRAUD AS TO SELECTED PROPERTIES**

25. As described above, in furtherance of the conspiracy and to effect the illegal objects thereof, LAVETTE M. BILLS, KIRK LACEY, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, JERRY CALONGE, MARK BARNETT, OMAR HENRY, and PETER CHEVERE, the defendants, and others known and unknown, through the use of fraudulent documents, obtained home mortgage loans from lenders under false pretenses to fund the purchases of certain properties for their own enrichment. For example:

**339 Tecumseh Avenue, Mt. Vernon, New York**

a. In or about 2006, LAVETTE M. BILLS, the defendant, told the owner of a property located at 339 Tecumsah Avenue, Mt. Vernon, New York ("339 Tecumsah Avenue"), who wanted to refinance her home ("Homeowner 1"), that BILLS could assist Homeowner 1 with refinancing her home as long as she obtained a co-signer. Accordingly, Homeowner 1 asked a friend ("Straw Buyer 1") to act as a co-signer. In fact, instead of assisting Homeowner 1 in refinancing the property as she had promised, and in order to benefit herself and her co-conspirators, BILLS caused Homeowner 1 to sell 339 Tecumsah Avenue to Straw Buyer 1 on or about February 9, 2006 for approximately \$470,000. Straw Buyer 1 obtained home mortgage loans in the amount of approximately \$470,000 to fund the purchase of the property.

b. Documents submitted in connection with these loans to the lender, WMC Mortgage Corporation, by SHERESE W. GLENN, the defendant, through Sapphire, contained numerous false representations. Among other things, the documents falsely represented that Straw Buyer 1 intended to live in the property as a primary residence and falsely overstated Straw Buyer 1's income. In addition, a form requesting verification of Straw Buyer 1's rent, which was submitted to the lender by GLENN, falsely stated that WAYNE GREEN, the defendant, was the property manager for the building in which Straw Buyer 1 was a tenant. The defendants used the proceeds of the home mortgage loans obtained by Straw Buyer 1 to pay off the remainder of Homeowner 1's mortgage and then distributed the remainder of the funds amongst themselves for their own benefit.

**1009 East 217<sup>th</sup> Street, Bronx, New York**

c. On or about December 31, 2007, LAVETTE M. BILLS, the defendant, through NNI, purchased a property located at 1009 East 217<sup>th</sup> Street, Bronx, New York ("1009 East 217<sup>th</sup> Street") for approximately \$300,000. On or about the same day, BILLS, through NNI, resold the property for approximately \$550,000 to an individual ("Straw Buyer 2") recruited by BILLS. Straw Buyer 2 obtained a home mortgage loan in the amount of approximately \$495,000 to fund the purchase of the property.

d. Documents submitted in connection with this loan to the lender, JP Morgan Chase Bank, N.A., by SHERESE W. GLENN, the defendant, through Exquisite, some of which were prepared by OMAR HENRY, the defendant, contained numerous false representations. Among other things, the documents falsely represented that Straw Buyer 2 intended to live in the property as a primary residence and falsely overstated Straw Buyer 2's income and assets. The documents also falsely represented that NNI had held title to 1009 East 217<sup>th</sup> Street since in or about April 2006, when in truth and in fact, as the defendants well knew, NNI only obtained title to the property on the day of the sale to Straw Buyer 2.

**226-31 Mentone Avenue, Springfield Gardens, New York**

e. On or about January 15, 2008, WAYNE GREEN, the defendant, through Recani, purchased a property located at 226-31 Mentone Avenue, Springfield Gardens, New York ("226-31 Mentone Avenue") for approximately \$375,000. On or about the same day, GREEN, through Recani, resold the property for approximately \$560,000 to an individual ("Straw Buyer 3") recruited by JOSEPH EVANS and JERRY CALONGE, the defendants. EVANS also obtained a power of attorney from Straw Buyer 3 and signed closing documents as attorney-in-fact for Straw Buyer 3. REVLON HINDS, the defendant, signed documents on behalf of Recani in connection with both transactions. Straw Buyer 3 obtained a home mortgage

loan in the amount of approximately \$532,000 to fund the purchase of the property.

f. Documents submitted in connection with this loan to the lender, JP Morgan Chase Bank, N.A., by SHERESE W. GLENN, the defendant, through Exquisite, contained numerous false representations. Among other things, the documents falsely overstated Straw Buyer 3's income and assets. The documents also falsely represented that Recani had held title to 226-31 Mentone Avenue since in or about September 2006, when in truth and in fact, as the defendants well knew, Recani only obtained title to the property on the day of the sale to Straw Buyer 3.

**120-71 167<sup>th</sup> Street, Jamaica, New York**

g. On or about February 7, 2008, WAYNE GREEN, the defendant, through Recani, purchased a property located at 120-71 167<sup>th</sup> Street, Jamaica, New York ("120-71 167<sup>th</sup> Street") for approximately \$390,000. On or about the same day, GREEN, through Recani, resold the property for approximately \$620,000 to an individual ("Straw Buyer 4") recruited by JOSEPH EVANS and JERRY CALONGE, the defendants. REVLON HINDS, the defendant, signed documents on behalf of Recani in connection with both transactions. Straw Buyer 4 obtained a home mortgage loan in the amount of approximately \$527,000 to fund the purchase of the property.

h. Documents submitted in connection with this loan to the lender, JP Morgan Chase Bank, N.A., by SHERESE W. GLENN, the defendant, through Exquisite, contained numerous false representations. Among other things, the documents falsely overstated Straw Buyer 4's income and assets. The documents also falsely represented that Recani had held title to 120-71 167<sup>th</sup> Street since in or about May 2007, when in truth and in fact, as the defendants well knew, Recani only obtained title to the property on the day of the sale to Straw Buyer 4.

**69 Harman Street, Brooklyn, New York**

i. On or about February 29, 2008, WAYNE GREEN, the defendant, through Recani, purchased a property located at 69 Harman Street, Brooklyn, New York ("69 Harman Street") for approximately \$320,000. On or about the same day, GREEN, through Recani, resold the property for approximately \$460,000 to an individual ("Straw Buyer 5") recruited by JOSEPH EVANS and JERRY CALONGE, the defendants. REVLON HINDS, the defendant, signed documents on behalf of Recani in connection with both transactions. Straw Buyer 5 obtained a home mortgage loan in the amount of approximately \$414,000 to fund the purchase of the property.

j. Documents submitted in connection with this loan to the lender, JP Morgan Chase Bank, N.A., by SHERESE W. GLENN, the defendant, through Exquisite, contained numerous false

representations. Among other things, the documents falsely overstated Straw Buyer 5's income and assets. The documents also falsely represented that Recani had held title to 69 Harman Street since in or about July 2007, when in truth and in fact, as the defendants well knew, Recani only obtained title to the property on the day of the sale to Straw Buyer 5.

**32-49 110<sup>th</sup> Street, East Elmhurst, New York**

k. On or about March 13, 2008, WAYNE GREEN, the defendant, through Recani, purchased a property located at 32-49 110<sup>th</sup> Street, East Elmhurst, New York ("32-49 100<sup>th</sup> Street") for approximately \$462,000. On or about the same day, GREEN, through Recani, resold the property to an individual ("Straw Buyer 6") for approximately \$750,000. REVLON HINDS, the defendant, signed documents on behalf of Recani in connection with both transactions. Straw Buyer 6 obtained a home mortgage loan in the amount of approximately \$637,500 to fund the purchase of the property.

l. Documents submitted in connection with this loan to the lender, JP Morgan Chase Bank, N.A., by SHERESE W. GLENN, the defendant, through Exquisite, contained numerous false representations. Among other things, the documents falsely represented that Straw Buyer 6 intended the property as a primary residence, and falsely overstated Straw Buyer 6's income and assets. The documents also falsely represented that Recani had

held title to 32-49 100<sup>th</sup> Street since in or about July 2007, when in truth and in fact, as the defendants well knew, Recani only obtained title to the property on the day of the sale to Straw Buyer 6.

**2747 Throop Avenue, Bronx, New York**

m. On or about April 14, 2008, WAYNE GREEN, the defendant, through Recani, purchased a property located at 2747 Throop Avenue, Bronx, New York ("2747 Throop Avenue") for approximately \$450,000. On or about the same day, GREEN, through Recani, resold the property for approximately \$615,000 to an individual ("Straw Buyer 7") recruited by LAVETTE M. BILLS, the defendant. REVLON HINDS, the defendant, signed documents on behalf of Recani in connection with both transactions. Straw Buyer 7 obtained a home mortgage loan in the amount of approximately \$522,750 to fund the purchase of the property.

n. Documents submitted in connection with this loan to the lender, JP Morgan Chase Bank, N.A., by SHERESE W. GLENN, the defendant, through Exquisite, contained numerous false representations. Among other things, the documents falsely overstated Straw Buyer 7's income and assets.

**77 East Third Street, Huntington Station, New York**

o. In or about early 2008, LAVETTE M. BILLS and KIRK LACEY, the defendants, recruited an individual ("Straw Buyer 8") to purchase 77 East Third Street, Huntington Station, New York



("77 East Third Street") from NNI. On or about June 12, 2008, LACEY, through NNI, sold the property to Straw Buyer 8 for approximately \$620,000. Straw Buyer 8 obtained a home mortgage loan in the amount of approximately \$527,000 to fund the purchase of the property.

p. Documents submitted by MTC in connection with this loan to the lender, Golden First Mortgage Corporation, contained numerous false representations. Among other things, the documents falsely represented that Straw Buyer 8 intended to live in the property as a primary residence and falsely overstated Straw Buyer 8's income and assets. KIRK LACEY, the defendant, recruited an individual to provide false verification of employment for Straw Buyer 8 in connection with the home mortgage loan application. MARK BARNETT, the defendant, processed the home mortgage loan application for Straw Buyer 8.

**1236 Tinton Avenue, Bronx, New York**

q. In or about 2007, LAVETTE M. BILLS, the defendant, told the owner of a property located at 1236 Tinton Avenue, Bronx, New York ("1236 Tinton Avenue"), who owed approximately \$38,000 on her mortgage and had fallen behind on her payments ("Homeowner 2"), that BILLS could save Homeowner 2's home from foreclosure by adding BILLS to the deed for a short period of time. BILLS promised Homeowner 2 that after six months or a year had passed, BILLS would return title to the property to Homeowner

2 or a relative of Homeowner 2. In fact, in order to take control of the property, BILLS engineered a "sale" of the property from Homeowner 2 to herself, on or about June 4, 2007, and obtained a home mortgage loan in the amount of approximately \$177,750 to fund the purchase of the property. BILLS also induced Homeowner 2 to pay BILLS a \$50,000 "broker's fee" in connection with the sale. BILLS induced Homeowner 2 to sign an amendment to the contract of sale, which made a "gift" of the remainder of the loan proceeds (minus fees and closing costs) to BILLS.

r. Approximately one year later, instead of returning title to the property to Homeowner 2 as she had promised, LAVETTE M. BILLS, the defendant, sold 1236 Tinton Avenue to Straw Buyer 8 for approximately \$410,000. Straw Buyer 8 obtained a home mortgage loan in the amount of approximately \$337,500 to fund the purchase of the property.

s. Documents submitted by MTC in connection with this loan to the lender, IndyMac Bank F.S.B., contained numerous false representations. Among other things, the documents falsely represented that Straw Buyer 8 intended to live in the property as a primary residence and falsely overstated Straw Buyer 8's income and assets. KIRK LACEY, the defendant, recruited an individual to provide a false verification of employment for Straw Buyer 8, and PETER CHEVERE, the defendant, prepared the

false verification of employment form for submission to the lender.

**40 Lott Avenue, Brooklyn, New York**

t. On or about July 16, 2008, LAVETTE M. BILLS, the defendant, through NNI, purchased a property located at 40 Lott Avenue in Brooklyn, New York ("40 Lott Avenue") for approximately \$445,000. On or about September 16, 2008, BILLS, through NNI, resold the property to an individual ("Straw Buyer 9") for approximately \$695,000. Straw Buyer 9 obtained a home mortgage loan in the amount of approximately \$682,577 to fund the purchase of the property.

u. Documents submitted by MTC in connection with this loan to the lender, Golden First Mortgage Corporation, contained numerous false representations. Among other things, the documents falsely represented that Straw Buyer 9 intended the property as a primary residence, and falsely overstated Straw Buyer 9's income and assets. MARK BARNETT, the defendant, processed the home mortgage loan application for Straw Buyer 9.

**255-29 149<sup>th</sup> Road, Rosedale, New York**

v. On or about October 28, 2008, KIRK LACEY, the defendant, through NNI, purchased a property located at 255-29 149<sup>th</sup> Road, Rosedale, New York ("255-29 149<sup>th</sup> Road") for approximately \$425,000. On or about October 29, 2008, LACEY, through NNI, resold the property to an individual ("Straw Buyer

10") for approximately \$625,000. Straw Buyer 10 obtained a home mortgage loan in the amount of approximately \$531,250 to fund the purchase of the property.

w. Documents submitted by MTC in connection with this loan to the lender, Golden First Mortgage Corporation, contained numerous false representations. Among other things, the documents falsely represented that Straw Buyer 10 intended the property as a primary residence, and falsely overstated Straw Buyer 10's income and assets. MARK BARNETT, the defendant, processed the home mortgage loan application for Straw Buyer 10.

#### STATUTORY ALLEGATION

26. From at least in or about 2006, up to and including in or about March 2009, in the Southern District of New York and elsewhere, LAVETTE M. BILLS, KIRK LACEY, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, JERRY CALONGE, MARK BARNETT, OMAR HENRY, and PETER CHEVERE, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, to violate Sections 1343 and 1344 of Title 18, United States Code.

## OBJECTS OF THE CONSPIRACY

### Bank Fraud

27. It was a part and an object of the conspiracy that LAVETTE M. BILLS, KIRK LACEY, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, JERRY CALONGE, MARK BARNETT, OMAR HENRY, and PETER CHEVERE, the defendants, and others known and unknown, unlawfully, willfully, and knowingly would and did execute a scheme and artifice to defraud financial institutions, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institutions, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

### Wire Fraud

28. It was further a part and an object of the conspiracy that LAVETTE M. BILLS, KIRK LACEY, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, JERRY CALONGE, MARK BARNETT, OMAR HENRY, and PETER CHEVERE, the defendants, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire and

radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

OVERT ACTS

29. In furtherance of the conspiracy and to effect the illegal objects thereof, LAVETTE M. BILLS, KIRK LACEY, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, JERRY CALONGE, MARK BARNETT, OMAR HENRY, and PETER CHEVERE, the defendants, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about February 2006, GREEN and GLENN prepared or caused to be prepared a home mortgage loan application for Straw Buyer 1 in connection with the purchase of 339 Tecumseh Avenue, which contained false and fraudulent representations about Straw Buyer 1's residence, employment, and income, among other things.

b. In or about late 2007, HENRY prepared or caused to be prepared a home mortgage loan application to be submitted to a lender in connection with the purchase of 1009 East 217<sup>th</sup> Street by Straw Buyer 2.

c. From at least in or about January 2008, up to and including in or about March 2008, EVANS and CALONGE recruited at least three straw buyers to purchase residential properties

located in New York City from Recani.

d. On or about April 14, 2008, HINDS signed documents on behalf of Recani in connection with the sale of 2747 Throop Avenue by Recani to Straw Buyer 7.

e. In or about early 2008, BILLS recruited Straw Buyer 8 to purchase 77 East Third Street and 1236 Tinton Avenue.

f. In or about early 2008, LACEY recruited an individual to provide a false verification of employment for Straw Buyer 8 in connection with home mortgage loan applications to be submitted to lenders for the purchase of 77 East Third Street and 1236 Tinton Avenue by Straw Buyer 8.

g. In or about early 2008, CHEVERE prepared a false verification of employment form to be submitted to a lender in connection with a mortgage loan application for the purchase of 1236 Tinton Avenue by Straw Buyer 8.

h. On or about June 16, 2008, BARNETT received a check in the amount of approximately \$5,000 from the proceeds of the home mortgage loan obtained by Straw Buyer 8 to fund the purchase of 77 East Third Street.

(Title 18, United States Code, Section 1349.)

COUNT TWO

(Wire Fraud re: 339 Tecumseh Avenue, Mt. Vernon, New York)

The Grand Jury further charges:

30. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated

by reference as if fully set forth herein.

31. In or about February 2006, in the Southern District of New York and elsewhere, LAVETTE BILLS, WAYNE GREEN, and SHERESE W. GLENN, the defendants, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, the defendants participated in a scheme to defraud WMC Mortgage Corporation by obtaining home mortgage loans for Straw Buyer 1 totaling approximately \$470,000, through the use of false statements and fraudulent documents, to fund the purchase of a property located at 339 Tecumseh Avenue, Mt. Vernon, New York, and caused such funds to be transferred via interstate wire from a bank account in New York, New York.

(Title 18, United States Code, Sections 1343 and 2.)

**COUNT THREE**

**(Bank Fraud re: 1009 East 217<sup>th</sup> Street, Bronx, New York)**

The Grand Jury further charges:

32. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.



33. In or about December 2007, in the Southern District of New York and elsewhere, LAVETTE M. BILLS, SHERESE W. GLENN, and OMAR HENRY, the defendants, unlawfully, willfully, and knowingly did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants participated in a scheme to defraud J.P. Morgan Chase Bank, N.A. by obtaining a home mortgage loan for Straw Buyer 2 in the amount of approximately \$495,000, through the use of false statements and fraudulent documents, to fund the purchase of a property located at 1009 East 217<sup>th</sup> Street, Bronx, New York.

(Title 18, United States Code, Sections 1344 and 2.)

**COUNT FOUR**

**(Bank Fraud re: 226-31 Mentone Avenue, Springfield Gardens, New York)**

The Grand Jury further charges:

34. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

35. In or about January 2008, in the Southern District of New York and elsewhere, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, and JERRY CALONGE, the defendants,

unlawfully, willfully, and knowingly did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants participated in a scheme to defraud J.P. Morgan Chase Bank, N.A. by obtaining a home mortgage loan for Straw Buyer 3 in the amount of approximately \$532,000, through the use of false statements and fraudulent documents, to fund the purchase of a property located at 226-31 Mentone Avenue, Springfield Gardens, New York.

(Title 18, United States Code, Sections 1344 and 2.)

**COUNT FIVE**

(Bank Fraud re: 120-71 167<sup>th</sup> Street, Jamaica, New York)

The Grand Jury further charges:

36. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

37. In or about February 2008, in the Southern District of New York and elsewhere, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, and JERRY CALONGE, the defendants, unlawfully, willfully, and knowingly did execute, and attempt to execute, a scheme and artifice to defraud a financial

institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants participated in a scheme to defraud J.P. Morgan Chase Bank, N.A. by obtaining a home mortgage loan for Straw Buyer 4 in the amount of approximately \$527,000, through the use of false statements and fraudulent documents, to fund the purchase of a property located at 120-71 167<sup>th</sup> Street, Jamaica, New York.

(Title 18, United States Code, Sections 1344 and 2.)

**COUNT SIX**

**(Bank Fraud re: 69 Harman Street, Brooklyn, New York)**

The Grand Jury further charges:

38. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

39. In or about February 2008, in the Southern District of New York and elsewhere, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, and JERRY CALONGE, the defendants, unlawfully, willfully, and knowingly did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys,

funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants participated in a scheme to defraud J.P. Morgan Chase Bank, N.A. by obtaining a home mortgage loan for Straw Buyer 5 in the amount of approximately \$414,000, through the use of false statements and fraudulent documents, to fund the purchase of a property located at 69 Harman Street, Brooklyn, New York.

(Title 18, United States Code, Sections 1344 and 2.)

**COUNT SEVEN**

**(Bank Fraud re: 32-49 110<sup>th</sup> Street, East Elmhurst, New York)**

The Grand Jury further charges:

40. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

41. In or about March 2008, in the Southern District of New York and elsewhere, WAYNE GREEN, SHERESE W. GLENN, and REVLON HINDS, the defendants, unlawfully, willfully, and knowingly did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and

fraudulent pretenses, representations and promises, to wit, the defendants participated in a scheme to defraud J.P. Morgan Chase Bank, N.A. by obtaining a home mortgage loan for Straw Buyer 6 in the amount of approximately \$637,500, through the use of false statements and fraudulent documents, to fund the purchase of a property located at 32-49 110<sup>th</sup> Street, East Elmhurst, New York.

(Title 18, United States Code, Sections 1344 and 2.)

**COUNT EIGHT**

**(Bank Fraud re: 2747 Throop Avenue, Bronx, New York)**

The Grand Jury further charges:

42. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

43. In or about April 2008, in the Southern District of New York and elsewhere, LAVETTE M. BILLS, WAYNE GREEN, SHERESE W. GLENN, and REVLON HINDS, the defendants, unlawfully, willfully, and knowingly did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants participated in a scheme to defraud J.P. Morgan Chase Bank, N.A. by obtaining a home mortgage loan for

Straw Buyer 7 in the amount of approximately \$522,750, through the use of false statements and fraudulent documents, to fund the purchase of a property located at 2747 Throop Avenue, Bronx, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT NINE

(Wire Fraud re: 77 East Third Street, Huntington Station, New York)

The Grand Jury further charges:

44. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

45. In or about June 2008, in the Southern District of New York and elsewhere, LAVETTE M. BILLS and KIRK LACEY, the defendants, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, the defendants participated in a scheme to defraud Golden First Mortgage Corporation by obtaining a home mortgage loan for Straw Buyer 8 in the amount of approximately \$527,000, through the use of false statements and fraudulent documents, to fund the purchase of a property located at 77 East

Third Street, Huntington Station, New York, and caused such funds to be transferred via an interstate wire processed in New York, New York.

(Title 18, United States Code, Sections 1343 and 2.)

**COUNT TEN**

**(Bank Fraud re: 1236 Tinton Avenue, Bronx, New York)**

The Grand Jury further charges:

46. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

47. In or about June 2008, in the Southern District of New York and elsewhere, LAVETTE M. BILLS, KIRK LACEY, and PETER CHEVERE, the defendants, unlawfully, willfully, and knowingly did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants participated in a scheme to defraud IndyMac Bank F.S.B. by obtaining a home mortgage loan for Straw Buyer 8 in the amount of approximately \$337,500, through the use of false statements and fraudulent

documents, to fund the purchase of a property located at 1236 Tinton Avenue, Bronx, New York.

(Title 18, United States Code, Sections 1344 and 2.)

**COUNT ELEVEN**

**(False Statements re: 40 Lott Avenue, Brooklyn, New York)**

The Grand Jury further charges:

48. The allegations contained in paragraphs 1 through 25 and 29 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

49. In or about September 2008, in the Southern District of New York and elsewhere, LAVETTE M. BILLS and MARK BARNETT, the defendants, unlawfully, willfully, and knowingly did make a false statement and report, for the purpose of influencing the action of the Federal Housing Administration upon an application, commitment, and loan, to wit, BILLS and BARNETT submitted and caused to be submitted false information regarding Straw Buyer 9's employment, income, assets, and intent to live in the property, among other things, to the Federal Housing Administration through Golden First Mortgage Corporation, in order to procure a home mortgage loan for Straw Buyer 9 in the amount of approximately \$682,577 to fund the purchase of a property located at 40 Lott Avenue, Brooklyn, New York.

(Title 18, United States Code, Sections 1014 and 2.)



**FORFEITURE ALLEGATION**

50. As a result of committing one or more of the offenses alleged in Counts One through Eleven of this Indictment, LAVETTE M. BILLS, KIRK LACEY, WAYNE GREEN, SHERESE W. GLENN, REVLON HINDS, JOSEPH EVANS, JERRY CALONGE, MARK BARNETT, OMAR HENRY, and PETER CHEVERE, the defendants, shall forfeit to the United States pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982 and Title 28, United States Code, Section 2461, any property constituting or derived from proceeds obtained directly or indirectly as a result of the offenses alleged in Counts One through Eleven of this Indictment, including but not limited to at least \$5,600,000 in United States currency, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the offenses alleged in Counts One through Eleven of the Indictment, for which the defendants are jointly and severally liable.

**SUBSTITUTE ASSET PROVISION**

51. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:
- a. cannot be located upon the exercise of due diligence;
  - b. has been transferred or sold to, or deposited with, a third person;
  - 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981 and 982;  
Title 21, United States Code, Section 853; and  
Title 28, United States Code, Section 2461.)

  
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FOREPERSON

  
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PREET BHARARA  
United States Attorney

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

LAVETTE M. BILLS,  
KIRK LACEY,  
WAYNE GREEN,  
SHERESE W. GLENN,  
REVLON HINDS,  
JOSEPH EVANS,  
JERRY CALONGE,  
MARK BARNETT,  
OMAR HENRY, and  
PETER CHEVERE,

Defendants.

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INDICTMENT

S1 09 Cr. 507 (KMW)

(18 U.S.C. §§ 1014, 1343, 1344,  
1349 and 2.)

PREET BHARARA

United States Attorney.

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