

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NO. 10-**_____

v. : **DATE FILED:**_____

FRED A. JOHNSON, JR. : **VIOLATIONS:**
: **18 U.S.C. § 1349 (conspiracy to commit**
: **wire fraud - 1 count)**
: **18 U.S.C. § 1956(h) (conspiracy to commit**
: **money laundering - 1 count)**

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant FRED A. JOHNSON, JR., was a public accountant and the owner and operator of Johnson & Johnson Property Real Estate Enterprises, d/b/a Johnson & Johnson Property Management Enterprises (collectively "Johnson & Johnson"), located at 1218 Chestnut Street, Philadelphia, Pennsylvania.
2. Defendant FRED A. JOHNSON, JR., maintained a personal bank account at Wachovia Bank, N.A., with the account number ending in 7236. Johnson & Johnson maintained a business bank account at Wachovia Bank, N.A., which was previously and First Union National Bank, with the account number ending 8894, which were insured by the Federal Deposit Insurance Company ("FDIC").

The Conspiracy

3. From on or about April 16, 2003, to on or about July 28, 2006, in the Eastern District of Pennsylvania, and elsewhere, defendant

FRED A. JOHNSON, JR.

conspired and agreed with other persons known and unknown to the United States Attorney to commit an offense against the United States, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, in that they devised and intended to devise and executed and attempted to execute a scheme to defraud and to obtain money and property from mortgage and loan lenders by knowingly causing to be transmitted by means of wire communications in interstate commerce, writings, signs, and signals, that is, interstate wire transfers, by means of false and fraudulent pretenses and representations.

MANNER AND MEANS

It was part of the conspiracy that:

4. The defendant FRED A. JOHNSON, JR., and others known and unknown to the United States Attorney obtained mortgage loans by submitting loan applications containing false information, thereby obtaining loans for which they were not entitled and for which they did not qualify.

5. Lenders, many outside the state of Pennsylvania, approved the loans having relied on the false information contained in the loan applications and wired loan proceeds to title companies in Pennsylvania, whose duty it was to disburse the loans as directed by the HUD-1 settlement sheets.

6. The title companies wired most of the loan proceeds to defendant FRED

A. JOHNSON, JR.'s Johnson & Johnson business account at Wachovia Bank in Philadelphia, Pennsylvania. Defendant JOHNSON then disbursed the loan proceeds by wires and checks to persons not authorized by the lenders of the loans or listed in the HUD-1 disbursement sheet to receive the loan proceeds. Defendant JOHNSON also kept a portion of the loan proceeds as his commission for disbursing the funds.

OVERT ACTS

In furtherance of the conspiracy, defendant FRED A. JOHNSON, JR., and others known and unknown to the United States Attorney, committed the following overt acts in the Eastern District of Pennsylvania, and elsewhere:

From on or about April 16, 2003, to on or about April 18, 2003:

1. Defendant FRED A. JOHNSON, JR., received in his Johnson & Johnson business bank account number ending in 8894 at First Union National Bank by wire approximately \$77,204 in mortgage loan proceeds from Broker Settlement Services, relating to the property at 5727 Wyndale Avenue, Philadelphia, Pennsylvania.

2. Defendant FRED A. JOHNSON, JR., wired approximately \$70,000 of the \$77,204 from the First Union National Bank account to another person known to the United States Attorney not authorized by the lender and not listed on the HUD-1 for the property at 5727 Wyndale Avenue, Philadelphia, Pennsylvania, to receive the disbursement from the loan.

3. Defendant FRED A. JOHNSON, JR. kept approximately \$7,204 of the \$77,204 as payment for disbursing the loan proceeds to others not entitled to receive them.

From on or about July 3, 2003, to on or about October 7, 2003:

4. Defendant FRED A. JOHNSON, JR., received in his Johnson & Johnson

business bank account number ending in 8894 at First Union National Bank by wire approximately \$180,888 in mortgage loan proceeds from Renaissance Settlements, LLC, relating to the property at 2006 Cambridge Street, Philadelphia, Pennsylvania.

5. Defendant FRED A. JOHNSON, JR., disbursed the loan proceeds for 2006 Cambridge Street, Philadelphia, Pennsylvania, by wire and checks drawn from the First Union National Bank account to other persons not listed in the HUD-1 or authorized to received such funds by the lender, or otherwise entitled to the loan proceeds.

6. Defendant FRED A. JOHNSON, JR. kept approximately \$5,427 of the \$180,888 as payment for disbursing the loan proceeds to others not entitled to receive them.

From on or about September 2, 2004, to on or about September 17, 2004:

7. Defendant FRED A. JOHNSON, JR., received in his Johnson & Johnson business bank account number ending in 8894 at First Union National Bank by wire approximately \$99,924, in two wire transfers of \$89,942 and \$9,982, which were mortgage loan proceeds from Chestnut Hill Land Transfer Title Company, relating to the property at 2039 Upland Avenue, Philadelphia, Pennsylvania.

8. Defendant FRED A. JOHNSON, JR., disbursed the loan proceeds for 2039 Upland Avenue, Philadelphia, Pennsylvania, by wire and checks drawn from the First Union National Bank account to other persons not listed in the HUD-1 or authorized to received such funds by the lender, or otherwise entitled to the loan proceeds.

9. Defendant FRED A. JOHNSON, JR. kept approximately \$1,988 of the \$89,942 as payment for disbursing the loan proceeds to others not entitled to receive them.

In or around July 2005:

10. Defendant FRED A. JOHNSON, JR., with the assistance of persons known to the United States Attorney, obtained a mortgage loan from Argent Mortgage Company, LLC, in West Orange, California, in the amount of approximately \$233,750 to purchase the property at 511 South 52nd Street, Philadelphia, Pennsylvania, by misrepresenting himself as his son.

11. Defendant FRED A. JOHNSON, JR., caused Argent Mortgage Company, LLC, located in West Orange, California, to wire the \$233,750 in proceeds of the mortgage loan to Chestnut Hill Land Transfer Title Company in Pennsylvania, which then wired approximately \$196,815 of the loan proceeds to a Wachovia Bank account ending in 3950 in the name of persons known to the United States Attorney.

12. Of the \$196,815 loan proceeds, defendant FRED A. JOHNSON, JR., received approximately \$50,000 which was wired into his personal Wachovia bank account ending in 7236.

From on or about April 12, 2006, to on or about April 25, 2006:

13. Defendant FRED A. JOHNSON, JR., received in his Johnson & Johnson business bank account number ending in 8894 at Wachovia Bank, N.A., by wire approximately \$231,517 in mortgage loan proceeds from 21st Century Abstract Title Company, relating to the property at 3729 Spring Garden Street, Philadelphia, Pennsylvania.

14. Defendant FRED A. JOHNSON, JR., disbursed the loan proceeds for 3729 Spring Garden Street, Philadelphia, Pennsylvania, by wire and checks drawn from the First Union National Bank account to other persons not listed in the HUD-1 or authorized to received such funds by the lender, or otherwise entitled to the loan proceeds.

15. Defendant FRED A. JOHNSON, JR., kept approximately \$4,630 of the \$231,517 as payment for disbursing the loan proceeds to others not entitled to receive them.

From on or about June 21, 2006, to on or about September 16, 2006:

16. Defendant FRED A. JOHNSON, JR., received in his Johnson & Johnson business bank account number ending in 8894 at Wachovia Bank by wire approximately \$235,155 in loan proceeds from 21st Century Abstract Title Company, relating to the property at 5423 Woodbine Avenue, Philadelphia, Pennsylvania.

17. Defendant FRED A. JOHNSON, JR., disbursed the loan proceeds for 5423 Woodbine Avenue, Philadelphia, Pennsylvania, by wire and checks drawn from the First Union National Bank account to other persons not listed in the HUD-1 or authorized to received such funds by the lender, or otherwise entitled to the loan proceeds.

18. Defendant FRED A. JOHNSON, JR., kept approximately \$4,703 of the \$235,155 as payment for disbursing the loan proceeds to others not entitled to receive them.

From on or about July 13, 2006, to on or about July 28, 2006:

19. Defendant FRED A. JOHNSON, JR., received in his Johnson & Johnson business bank account number ending in 8894 at Wachovia Bank by wire approximately \$92,665 in loan proceeds from 21st Century Abstract Title Company, relating to the property at 5018 Arch Street, Philadelphia, Pennsylvania.

20. Defendant FRED A. JOHNSON, JR., disbursed the loan proceeds for 5018 Arch Street, Philadelphia, Pennsylvania, by wire and checks drawn from the First Union National Bank account to other persons not listed in the HUD-1 or authorized to received such funds by the lender, or otherwise entitled to the loan proceeds.

21. Defendant FRED A. JOHNSON, JR., kept approximately \$1,530 of the \$92,665 as payment for disbursing the loan proceeds to others not entitled to receive them.

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

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 and 2 of Count One are incorporated by reference and realleged here.
2. From on or about April 16, 2003, to on or about July 28, 2006, in the Eastern District of Pennsylvania, and elsewhere, defendant

FRED A. JOHNSON, JR.

conspired and agreed with other persons known and unknown to the United States Attorney, knowing that the property involved in financial transactions represented the proceeds of some form of specified unlawful activity, to conduct the below-referenced financial transactions affecting interstate commerce, with the intent to promote the carrying on of specified unlawful activity, specifically, wire fraud, in violation of 18 U.S.C. § 1343, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity.

MANNER AND MEANS

It was part of the conspiracy that:

3. Loan proceeds obtained by others known and unknown to the United States Attorney with fraudulent mortgage loan applications were wired to defendant FRED A. JOHNSON, JR.'s business bank account for Johnson & Johnson for the purpose of concealing the source of the monies, which were then disbursed by use of the wires and checks to persons not authorized by the lenders of the loans to receive the loan proceeds.
5. Defendant FRED A. JOHNSON, JR., misrepresented himself as his son,

who was then incarcerated, in order to obtain a mortgage loan to purchase the property located at 511 South 52nd Street, Philadelphia, Pennsylvania:

DATES	DESCRIPTION	AMOUNT
April 16 - 18, 2003	Wells Fargo mortgage loan proceeds deposited by wire into Johnson & Johnson business account at First Union National Bank in Philadelphia, Pennsylvania, relating to the property at 5727 Wyndale Avenue, Philadelphia, Pennsylvania. The loan proceeds were then disbursed by wire to another person.	\$77,204
July 3 - October 7, 2003	WMC Mortgage Corporation loan proceeds deposited by wire into Johnson & Johnson business account at First Union National Bank, in Philadelphia, Pennsylvania, relating to the property at 2006 Cambridge Street, Philadelphia, Pennsylvania. The loan proceeds were then disbursed by wire and checks to other persons.	\$180,888
September 2 - 17, 2004	Gateway Funding Diversified Mortgage Services, LP loan proceeds deposited by wire into Johnson & Johnson business account at First Union National Bank, in Philadelphia, Pennsylvania, relating to the property at 2039 Upland Avenue, Philadelphia, Pennsylvania. The loan proceeds were then disbursed by wire and checks to other persons.	\$99,924.00
July 2005	Argent Mortgage Company, LLC, loan proceeds deposited by wire into another person's account at Wachovia Bank, in Philadelphia, Pennsylvania, relating to the property at 511 South 52 nd Street, Philadelphia, Pennsylvania. The loan proceeds were then disbursed by wire and checks to other persons including defendant JOHNSON who received approximately \$50,000 in his Wachovia Bank account ending in 7236.	\$233,750
April 12 - 25, 2006	Southstar Funding, LLC loan proceeds deposited by wire into Johnson & Johnson business account at Wachovia Bank, in Philadelphia, Pennsylvania, relating to the property at 3729 Spring Garden Street, Philadelphia, Pennsylvania. The loan proceeds were then disbursed by wire and checks to other persons.	\$231,516

June 21 - September 16, 2006	First Horizon Home Loan Mortgage Corporation loan proceeds deposited by wire into Johnson & Johnson business account at Wachovia Bank, in Philadelphia, Pennsylvania, relating to the property at 5423 Woodbine Avenue, Philadelphia, Pennsylvania. The loan proceeds were then disbursed by wire and checks to other persons.	\$235,155
July 13 - July 28, 2006	First Horizon Home Loan Mortgage Corporation loan proceeds deposited by wire into Johnson & Johnson business account at Wachovia Bank, in Philadelphia, Pennsylvania, relating to the property at 5018 Arch Street, Philadelphia, Pennsylvania. The loan proceeds were then disbursed by wire and checks to other persons.	\$92,665

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



MICHAEL L. LEVY
United States Attorney