

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

UNITED STATES OF AMERICA : **CRIMINAL NO. 11-**
 :
v. : **DATE FILED: _____**
 :
JOHN J. MCELROY : **VIOLATIONS:**
 : **18 U.S.C. § 1343 (wire fraud - 17 counts)**
 : **18 U.S.C. § 1014 (false statements to obtain**
 : **a loan - 3 counts)**
 : **18 U.S.C. § 1956 (money laundering - 11**
 : **counts)**
 : **18 U.S.C. § 1957 (monetary transactions**
 : **from specified unlawful activity - 10 counts)**
 : **18 U.S.C. § 2 (aiding and abetting)**
 : **Notice of forfeiture**

INDICTMENT

COUNTS ONE AND TWO

THE GRAND JURY CHARGES THAT:

1. First Magnus Financial Corporation was a mortgage lending business located in Tucson, Arizona.

THE SCHEME

2. From on or about April 13, 2007 to on or about April 27, 2007, in the Eastern District of Pennsylvania and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud First Magnus Financial Corporation, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to purchase the real property located at 143 Davenport Road, Kennett Square, Pennsylvania.

4. To purchase the property, defendant JOHN J. MCELROY made application to First Magnus Financial Corporation for a first mortgage loan of approximately \$330,750, and for a second mortgage loan of approximately \$41,400.

5. To induce the lender to issue the loans, defendant JOHN J. MCELROY falsified his liabilities on the loan applications by reporting that the existing mortgage on his real property at 959 Patricia Lane in Kennett Square, Pennsylvania was \$203,876, when in fact the defendant refinanced that loan on or about March 30, 2007 with a new mortgage of \$391,500.

6. Additionally, defendant, JOHN J. MCELROY falsified the applications by stating that he was purchasing the real property as owner occupied. To secure the loans from First Magnus Financial Corporation, defendant JOHN J. MCELROY signed an Owner Occupied Agreement. The Owner Occupied Agreement states that the borrower would occupy the real property within sixty days of the security instruments being recorded, and the borrower would occupy the real property thereafter for at least one year. Defendant JOHN J. MCELROY signed the Owner Occupied Agreement knowing that he had already signed similar documents when he refinanced the loan for 959 Patricia Lane, Kennett Square, Pennsylvania on or about March 30, 2007.

7. Based on these falsified applications, First Magnus Financial Corporation approved the loans to defendant JOHN J. MCELROY. The funds were transferred from the

lender to the title company, American Freedom Assurance, Incorporated, in furtherance of the defendant purchasing 143 Davenport Road, Kennett Square, Pennsylvania.

8. On or about April 27, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DESCRIPTION
1	\$327,413.06 wired from UBS Warburg Real Estate Securities, New York City, New York, account no. xxxxxxxx3sci, at UBSAG, New York, New York, (routing no. 026007993), to American Freedom Assurance Incorporated, Berwyn, Pennsylvania, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, Pennsylvania (routing no. 031000053).
2	\$41,364.92 wired from First Magnus Financial Corp., Tucson, Arizona, account no. xxxxxx5499 at Washington Mutual Bank, Stockton, California (routing no. 321180748), to American Freedom Assurance Incorporated, Berwyn, Pennsylvania, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, Pennsylvania (routing no. 031000053).

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Countrywide Bank FSB was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation, certificate no. 33143.

2. Between on or about May 31, 2007 and on or about June 14, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Countrywide Bank FSB, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to purchase the real property located at 2312 S. Mellonville Avenue, Sanford, Florida 32771.

4. To purchase the property, defendant JOHN J. MCELROY, who resided in the Eastern District of Pennsylvania, made application through First Metropolitan Mortgage Company in Kennett Square, Eastern District of Pennsylvania, for a mortgage loan of approximately \$540,000 from Countrywide Bank FSB.

5. In furtherance of the scheme, defendant JOHN J. MCELROY falsified his application for the mortgage loan, and aided and abetted the falsified application, in the following ways:

False Statements	
a	On the loan application, he under reported his liabilities by reporting that the existing mortgage on the property at 959 Patricia Lane, Kennett Square, Pennsylvania was \$102,434, when in reality, the defendant had refinanced the mortgage on that property just two months earlier, on or about March 30, 2007, and had an existing mortgage of \$391,500.
b	On the loan application, he failed to disclose that just one month earlier, on April 27, 2007, the defendant purchased the property at 143 Davenport Road, Kennett Square, Pennsylvania for \$413,500, funded by two mortgages on the property totaling approximately \$372,150.
c	On the loan application he failed to disclose his ownership of the real property at 15-1707-17 Maxatawny & Lehigh Drive, Pocono Lake, Pennsylvania 18347, purchased on or about May 11, 2006.
d	At settlement, he fraudulently represented, and aided and abetted the false representation, to Countrywide Bank FSB that a total of \$121,000 was being issued to satisfy a second mortgage owed by the sellers, when in reality the \$121,000 "second mortgage" payment was issued to JC Consultants, a business owned by the defendant, which the defendant concealed from Countrywide Bank FSB. Although payment was issued to JC Consultants, defendant JOHN J. MCELROY deposited the \$121,000 in funds in his own personal bank account.
e	On the loan application and settlement sheet, defendant JOHN J. MCELROY fraudulently represented, and aided and abetted the false representation, to Countrywide Bank FSB that he would come to and present at settlement between \$78,731.90 and \$83,713.06, when in fact he presented no funds whatsoever at settlement to obtain the loan for this property.

6. Based on these false representations, defendant JOHN J. MCELROY obtained a mortgage loan of approximately \$540,000 from Countrywide Bank FSB through these fraudulent means.

7. Based on the falsified application and fraudulent representations made at settlement as outlined above, Countrywide Bank FSB approved the loan to defendant JOHN J. MCELROY. The funds were transferred from the lenders to the title company, WCTC Title and Escrow Services, in furtherance of the defendant purchasing 2312 S. Mellonville Avenue,

Sanford, Florida, and the lender then disbursed a mortgage broker fee to First Metropolitan Mortgage Company in Kennett Square, Pennsylvania, a portion of which was turned over to the defendant, JOHN J. MCELROY.

8. On or about June 14, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

DESCRIPTION
\$543,411.30 wired from Countrywide Bank FSB, account no. xxxxxx4639 at The Bank of New York, New York, New York (routing no. 021000018), to WCTC Title & Escrow Services, LLC account no. xxxxxxxx-4558 at Bank of America, NA, Tampa, Florida (routing no. 026009593).

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

COUNT FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Bayview Loan Servicing was a mortgage lending business located in Coral Gables, Florida.

THE SCHEME

2. From on or about July 12, 2007 to on or about July 31, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Bayview Loan Servicing, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to purchase the real property located at 2310 Garrett Road, Upper Darby, Pennsylvania 19082.

4. To purchase the property, defendant JOHN J. MCELROY made application to Bayview Loan Servicing for a mortgage loan of approximately \$459,000.

5. In furtherance of the scheme, defendant JOHN J. MCELROY falsified his application for the mortgage loan, and aided and abetted the falsified application in the following ways:

False Statement on Loan Application	
a	Failed to disclose that he owned the residence at 15-1707-17 Maxatawny & Lehigh Drive in Pocono Lake, PA 18347, purchased on or about May 11, 2006.
b	Failed to disclose that on or about April 27, 2007, the defendant purchased 143

False Statement on Loan Application	
	Davenport Road in Kennett Square, PA and took two mortgage loans on the property totaling \$372,150.
c	Failed to disclose that on or about June 13, 2007, the defendant purchased 2312 S. Mellonville Avenue in Sanford, FL, and took two mortgage loans on the property totaling \$540,000.
d	Listed the property at 959 Patricia Lane in Kennett Square, Pennsylvania as having an existing mortgage of \$102,434, when in fact the defendant refinanced on or about March 30, 2007 with a new mortgage of \$391,500.
e	Listed the length of the defendant's employment at 1 st Metropolitan Mortgage as ten years when, in fact, he had worked there a little more than two years.
f	Listed the property would be owner occupied and furnished a signed statement, dated July 12, 2007 confirming the property would be owner occupied when, in fact, the defendant never lived there and never intended to live there.

6. On or about July 31, 2007, defendant JOHN J. MCELROY further falsified the statements on the settlement sheet, and aided and abetted the falsified statements on the settlement sheet, in the following ways:

False Statement at Settlement	
a	The HUD-1 settlement sheet reflects that defendant John J. MCELROY directly paid to the seller \$54,000 upon signing the Agreement of Sale, when in fact, no payment was ever made.
b	Defendant John J. MCELROY falsely claimed to have made a payment prior to closing in the amount of \$37,375.08, which was the exact amount due from defendant MCELROY at the settlement, when in fact, no payment was ever made.
c	Defendant John J. MCELROY falsely claimed that a \$9,258 fee was due to JC Consultants, a company owned by defendant MCELROY that he did not disclose, when in fact, no moneys were due to JC Consultants and the funds instead went to defendant John J. MCELROY.
d	Defendant JOHN J. MCELROY falsely claimed that the seller was providing subordinate financing in the amount of \$27,000 as a means of lowering the amount of funds needed by the defendant at settlement when, in fact, no such second mortgage was negotiated.

7. Based on the falsified application and fraudulent representations made at settlement, Bayview Loan Servicing approved the loan to defendant JOHN J. MCELROY. The funds were transferred from the lenders to the settlement company, American Freedom Assurance, in furtherance of the defendant purchasing 2310 Garrett Road, Upper Darby, Pennsylvania 19082.

8. On or about July 31, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

DESCRIPTION
\$454,303.31 wired from Bayview Lending Group LLC, Coral Gables, Florida, account no. xxxxx5777 at Chase Manhattan Bank, New York, New York, (routing no.021000021) to American Freedom Assurance Inc., Berwyn, Pennsylvania, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, Pennsylvania (routing no. 031000053).

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

COUNTS FIVE AND SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Mortgageit Incorporated was a mortgage lender with offices in King of Prussia, Pennsylvania.

THE SCHEME

2. On or about August 3, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Mortgageit Incorporated, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to purchase the real property located at 23 Field Stone Drive, Cochranville, Pennsylvania 19330.

4. To purchase the property, defendant JOHN J. MCELROY made application through Mortgageit Incorporated for a first mortgage loan of approximately \$290,000 and a second mortgage loan of approximately \$36,250.

5. In furtherance of the scheme, defendant JOHN J. MCELROY falsified his applications for the mortgage loans, and aided and abetted the falsified applications in the following ways:

False Statement on Loan Applications	
a	On both applications, he failed to disclose that he owned the residence at 15-1707-17 Maxatawny & Lehigh Drive in Pocono Lake, PA 18347, purchased on or about May 11, 2006.
b	On both applications, he failed to disclose that on or about April 27, 2007, the defendant purchased 143 Davenport Road in Kennett Square, PA and took two mortgage loans on the property totaling \$372,150.
c	On both applications, he failed to disclose that on or about June 13, 2007, the defendant purchased 2312 S. Mellonville Avenue in Sanford, FL, and took two mortgage loans on the property totaling \$540,000.
d	On both applications, he failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a mortgage loan on the property in the amount of \$459,000.
e	On his first mortgage application, he falsely represented that he had a mortgage liability on the property at 959 Patricia Lane in Kennett Square, PA of \$102,434 , when in fact the defendant refinanced on or about March 30, 2007 with a new mortgage of \$391,500.
f	On his second mortgage application, he falsely represented that he had no mortgage liability on the property at 959 Patricia Lane in Kennett Square, PA, when in fact the defendant refinanced on or about March 30, 2007 with a new mortgage of \$391,500.

6. Based on the falsified applications, Mortgageit Incorporated approved the first and second mortgage loans to defendant JOHN J. MCELROY. The funds were transferred from the lender to the settlement company, American Freedom Assurance, in furtherance of the defendant purchasing 23 Field Stone Drive, Cochranville, Pennsylvania 19330.

7. On or about July 31, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and

sounds described below:

COUNT	DESCRIPTION
5	On the first mortgage application: \$283,022.53 wired from Deutsche Bank, dba DB Home Lending Holding LLC, Wilmington, DE, from account no. xxxx9663 at Bankers Trust Company, NY, NY (bank routing # 021001033) to American Freedom Assurance Inc., Berwyn, PA, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, PA (bank routing # 031000053).
6	On the second mortgage application: \$34,196.59 wired from Deutsche Bank, dba DB Home Lending Holdings LLC, Wilmington, DE, from account #no. xxxx9663 at Bankers Trust Company, NY, NY (bank routing # 021001033) to American Freedom Assurance Inc., Berwyn, PA, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, PA (bank routing # 031000053).

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Wells Fargo Bank is a financial institution in Ogden, Utah, the deposits of which were insured by the Federal Deposit Insurance Corporation, Certificate No. 13718.

2. On or about July 26, 2007, in the Eastern District of Pennsylvania and elsewhere, defendant

JOHN J. MCELROY

knowingly made and caused to be made to Wells Fargo Bank, through defendant MCELROY's application to First Metropolitan Mortgage Company in Kennett Square, in the Eastern District of Pennsylvania, a false statement for the purpose of influencing the actions of Wells Fargo Bank upon a loan, that is a \$130,500 mortgage loan on the property at 9923 S. Canterbury Road, Philadelphia, Pennsylvania 19114, in that defendant JOHN J. MCELROY knew the statements listed below were false:

False Statements	
a	Failed to disclose that he owned the residence at 15-1707-17 Maxatawny & Lehigh Drive in Pocono Lake, PA 18347, purchased on or about May 11, 2006.
b	Falsely represented that the mortgage liability on the property at 959 Patricia Lane in Kennett Square, PA, was \$102,434, when in fact the defendant refinanced on or about March 30, 2007 with a new mortgage of \$391,500.
c	Failed to disclose that on or about April 27, 2007, the defendant purchased 143 Davenport Road in Kennett Square, PA and took two mortgage loans on the property totaling \$372,150.
d	Failed to disclose that on or about June 13, 2007, the defendant purchased 2312 S. Mellonville Avenue in Sanford, FL, and took two mortgage loans on the property totaling \$540,000.
e	Failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a mortgage loan on the property in the amount of

	False Statements
	\$459,000.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

1. Trident Mortgage is a mortgage lending business with corporate headquarters located in Devon, Pennsylvania.

THE SCHEME

2. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Trident Mortgage, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to purchase the real property located at 9923 S. Canterbury Road, Philadelphia, Pennsylvania 19114.

4. To purchase the property, on or about July 26, 2007, defendant JOHN J. MCELROY made application to Wells Fargo Bank for a mortgage loan of approximately \$130,500, which was ultimately denied.

5. On or about October 4, 2007, defendant JOHN J. MCELROY then made application to Trident Mortgage for a mortgage loan of approximately \$116,000 to purchase the same property.

6. In furtherance of the scheme, defendant JOHN J. MCELROY falsified his applications for the mortgage loans, and aided and abetted the falsified applications in the

following ways:

False Statements on Loan Applications	
a	Failed to disclose that on or about April 27, 2007, the defendant purchased 143 Davenport Road in Kennett Square, PA and took two mortgage loans on the property totaling \$372,150.
b	Failed to disclose that on or about June 13, 2007, the defendant purchased 2312 S. Mellonville Avenue in Sanford, FL, and took two mortgage loans on the property totaling \$540,000.
c	Failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a mortgage loan on the property in the amount of \$459,000.
d	Falsely listed as an asset \$205,000 in an account with Morgan Stanley/Dean Witter, when in reality, he had no account with Morgan Stanley.

7. Defendant JOHN J. MCELROY's first loan application to Wells Fargo was denied, but his second loan application was approved by Trident Mortgage. The funds were transferred from Trident Mortgage to the settlement company, American Freedom Assurance, in furtherance of the defendant purchasing 9923 S. Canterbury Road, Philadelphia, Pennsylvania 19114.

8. On or about October 5, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

DESCRIPTION
\$113,958.59 wired from Trident Mortgage Company, Devon, PA from account no. xxxx4678 at Chase Manhattan Bank, NY, NY (bank routing # 021000021) to American Freedom Assurance Inc., Berwyn, PA, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, PA (bank routing # 031000053).

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

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Trident Mortgage is a mortgage lending business with corporate headquarters located in Devon, Pennsylvania.

THE SCHEME

2. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Trident Mortgage, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to refinance the real property located at 23 Field Stone Drive, Cochranville, Pennsylvania 19330.

4. To refinance the property, on or about October 4, 2007, and October 23, 2007, defendant JOHN J. MCELROY made application to Trident Mortgage for a first mortgage loan in the amount of \$290,000, and a second mortgage loan of approximately \$42,500.

5. In furtherance of the scheme, defendant JOHN J. MCELROY falsified his applications for the mortgage loans, and aided and abetted the falsified applications in the following ways:

False Statement on Loan Applications	
a	Failed to disclose that he owned the residence at 15-1707-17 Maxatawny & Lehigh

False Statement on Loan Applications	
	Drive in Pocono Lake, PA 18347, purchased on or about May 11, 2006.
b	Failed to disclose that on or about June 13, 2007, the defendant purchased 2312 S. Mellonville Avenue in Sanford, FL, and took two mortgage loans on the property totaling \$540,000.
c	Failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a mortgage loan on the property in the amount of \$459,000.

6. Based on the falsified applications, Trident Mortgage approved the first and second mortgage loans to defendant JOHN J. MCELROY. The funds were transferred from Trident Mortgage to the settlement company, American Freedom Assurance, in furtherance of the defendant refinancing 23 Field Stone Drive, Cochranville, Pennsylvania 19330.

7. On or about October 29, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

DESCRIPTION
\$286,721.48 wired from Trident Mortgage Company, Devon, PA from account no. xxxx4678 at Chase Manhattan Bank, NY, NY (bank routing # 021000021) to American Freedom Assurance Inc., Berwyn, PA, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, PA (bank routing # 031000053).

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

COUNTS TEN THROUGH FOURTEEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Trident Mortgage is a mortgage lending business with corporate headquarters located in Devon, Pennsylvania.

THE SCHEME

2. On or about November 2, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Trident Mortgage, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement with straw purchaser N.W. to sell the real property located at 2312 S. Mellonville Avenue, Sanford, Florida 32771.

4. To assist the purported buyer in purchasing the property, and so that the buyer would qualify for a mortgage, on or about November 2, 2007, defendant JOHN J. MCELROY assisted in making application to Trident Mortgage in Devon, in the Eastern District of Pennsylvania, for a mortgage loan in the amount of \$608,000.

5. In furtherance of the scheme, defendant JOHN J. MCELROY falsified the application for the mortgage loan, and aided and abetted the falsified application in the following ways:

	Location of Statement	False Statement
a	Loan Application	Represented that the buyer was a U.S. citizen and provided a social security number for a person other than the applicant.
b	Loan Application	Submitted false employment, income and asset information for the applicant.
c	Loan Application	Represented that the buyer would purchase the property as a primary residence when, in fact, the defendant knew that the individuals who sold the property to the defendant would be residing there.
d	Loan Application	Represented that the buyer was currently residing at an address and paying rent to a property management company when, in fact, the property was owned by the buyer's parents and the buyer was not paying rent to any property management company.
e	HUD-1 Settlement Sheet	Represented that the applicant/buyer provided \$53,525.05 at the closing, when in reality the funds were paid by the seller, defendant JOHN J. MCELROY.

6. Based on the falsified applications and supporting documentation, Trident Mortgage approved the mortgage loan to the applicant/buyer, and the sale of the property was completed. The funds were transferred from Trident Mortgage in Devon, Pennsylvania, to the title company, Citizen's Title OnLine, Incorporated, in Florida, which then transferred the funds for the purchase of 2312 S. Mellonville Avenue, Sanford, Florida 32771.

7. Shortly after the settlement, on or about November 5, 2007, without the knowledge or consent of the lender, defendant JOHN J. MCELROY wired \$53,525.05 from his personal account in the Eastern District of Pennsylvania to Citizens Title Online Inc., in Florida to cover the closing cost that straw purchaser N.W. was required to present at settlement.

8. Based on the falsified applications and supporting documentation supplied by defendant JOHN J. MCELROY, the loan was approved by the lender and the sale of the

property approved. On or about November 6, 2007, Citizens Title Online Inc. wired \$567,534.75 to Countrywide Bank FSB to payoff defendant MCELROY's loan.

9. Thereafter, on or about November 7, 2007, Citizens Title Online Incorporated wired \$42,882.73 to defendant JOHN J. MCELROY's bank account in the Eastern District of Pennsylvania, which represented the funds fraudulently obtained by defendant MCELROY as a result of the fraudulent application to Trident Mortgage. Defendant MCELROY then wired that exact amount, \$42,882.73, from his bank in the Eastern District of Pennsylvania to G.F., a person known to the grand jury, who aided and abetted straw purchaser N.W. and defendant MCELROY in the fraudulent sale of the property.

10. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

COUNT	DESCRIPTION
10	On or about November 2, 2007, \$585,341.50 was wired from Trident Mortgage Company in Devon, Pennsylvania from account no. xxxx0098 at JP Morgan Chase NA, Columbus, OH (bank routing #021000021), to Citizens Title Online Inc's account no. xxxx4052 at Florida Capital Bank, NA, Jacksonville, FL (bank routing # 063112142).
11	On or about November 5, 2007, \$53,525.05 was wired from account no. xxxx7201 at Police & Fire Federal Credit Union, Philadelphia, PA (bank routing #236084285) to Citizens Title Online, Incorporated, account no. xxxx4052, at Florida Capital Bank, NA (bank routing #063112142).

12	On or about November 6, 2007, Citizens Title Online Incorporated wired \$567,534.75 from account no. xxxx4052 at Florida Capital Bank, NA, Jacksonville, FL (bank routing #063112142) to Countrywide Bank FSB, account no. xxxx0098 at Bank of America-NYC (bank routing #026009593).
13	On or about November 7, 2007, Citizens Title Online Incorporated wired \$42,882.73 from account no. xxxx4052 at Florida Capital Bank, NA, Jacksonville, FL (bank routing #063112142) to defendant JOHN J. MCELROY, account no. xxxx7201 at Police & Fire Federal Credit Union, Philadelphia, PA (bank routing #236084285).
14	On or about November 7, 2007, defendant JOHN J. MCELROY wired \$42,882.73 from account no. xxxx7201 at Police & Fire Federal Credit Union, Philadelphia, PA (bank routing #236084285) to George T. Farrell, account no. xxxxxxxx8607 at Bank of America, NA, Richmond, VA (bank routing #063000047).

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

COUNT FIFTEEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Police and Fire Federal Credit Union was a federally insured credit union located in Philadelphia, Pennsylvania, the deposits of which were insured by the National Credit Union Insurance Corporation, Charter No. 2551.

2. On or about November 20, 2007, in the Eastern District of Pennsylvania, defendant

JOHN J. MCELROY

knowingly made and caused to be made to Police and Fire Federal Credit Union a false statement for the purpose of influencing the actions of Police and Fire Federal Credit Union upon a loan, that is a \$157,500 mortgage loan on the property at 15-1707-17 Maxatawny & Lehigh Drive, Pocono Lake, Pennsylvania 18347, in that defendant JOHN J. MCELROY knew the statements listed below were false:

	False Statement
a	Failed to disclose that on or about April 27, 2007, the defendant purchased 143 Davenport Road in Kennett Square, PA and took two mortgage loans on the property totaling \$372,150.
b	Failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a \$459,000 mortgage loan on the property.
c	Failed to disclose that on or about October 4, 2007, the defendant purchased 9923 S. Canterbury Road in Philadelphia, PA and took a \$116,000 mortgage loan on the property.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT SIXTEEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Trident Mortgage is a mortgage lending business with corporate headquarters located in Devon, Pennsylvania.

THE SCHEME

2. On or about December 4, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Trident Mortgage, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to purchase the real property located at 724 Concord Road, Glen Mills, Pennsylvania 19342.

4. To purchase the property, on or about December 4, 2007, defendant JOHN J. MCELROY made application to Trident Mortgage for a mortgage loan in the amount of \$202,500.

5. In furtherance of the scheme, defendant JOHN J. MCELROY falsified his application for the mortgage loan, and aided and abetted the falsified application in the following ways:

False Statements	
a	On the mortgage application, failed to disclose that he owned the residence at 15-1707-17 Maxatawny & Lehigh Drive in Pocono Lake, PA 18347, and refinanced the property on November 20, 2007 to take a \$157,500 mortgage.
b	On the mortgage application, failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a \$459,000 mortgage loan on the property.
c	On the mortgage application, falsely listed a Morgan Stanley account as an asset with a balance of \$220,000, when the defendant did not have any account with Morgan Stanley.
d	On the mortgage application, falsely stated on the application and submitted a false lease agreement showing that his Davenport Road property was being rented by M.D., a person known to the grand jury, when in fact, M.D. did not rent that property from the defendant.
e	At settlement, falsely represented that there was a \$70,500 “home repairs” cost owed to JC Consultants that was to be paid by the seller at the time of the closing, when in reality, JC Consultants was owned by the defendant, a fact which he failed to disclose to the lender, and the funds were received by the defendant.

6. Based on the falsified applications, Trident Mortgage approved the mortgage loan to defendant JOHN J. MCELROY. The funds were transferred from Trident Mortgage to the settlement company, American Freedom Assurance, in furtherance of the defendant purchasing 724 Concord Road, Glen Mills, Pennsylvania 19342.

7. On or about December 4, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

DESCRIPTION
\$198,933.34 wired from Trident Mortgage Company, Devon, PA, account no. xxxxx2683 at Chase Manhattan Bank, NA, NY, NY (bank routing #021000021) to American Freedom Assurance Inc., Berwyn, PA, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, PA (bank routing # 031000053).

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

COUNT SEVENTEEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Trident Mortgage was a mortgage lending business located in Devon, Pennsylvania.

THE SCHEME

2. On or about December 18, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Trident Mortgage, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to purchase the real property located at 18 Glenwood Place, East Orange, New Jersey 07017.

4. To purchase the property, on or about December 18, 2007, defendant JOHN J. MCELROY made application to Trident Mortgage for a mortgage loan in the amount of \$280,000.

5. In furtherance of the scheme, defendant JOHN J. MCELROY falsified his applications for the mortgage loan, and aided and abetted the falsified application in the following ways:

False Statements	
a	On the mortgage application, failed to disclose that on or about November 20, 2007, defendant JOHN J. MCELROY refinanced the property at 15-1707-17 Maxatawny & Lehigh Drive in Pocono Lake, PA 18347, and took a mortgage for \$157,500.
b	On the mortgage application, failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a \$459,000 mortgage loan on the property.
c	On the mortgage application, failed to disclose that just two week prior, on or about December 4, 2007, the defendant purchased 724 Concord Road in Glen Mills, PA and took a \$202,500 mortgage loan on the property.
d	On the mortgage application, falsely listed a Morgan Stanley account as an asset with a balance of \$66,500, when the defendant did not have any account with Morgan Stanley.
e	In support of the fraudulent mortgage application, provided a falsified document from Allianz investment account, on which the defendant's account balance was listed as \$174,293, when in fact, as MCELROY knew, the actual balance was \$74,293. Additionally, defendant MCELROY did not disclose that forty percent of the real funds in the Allianz investment account had been awarded by the courts to the defendant MCELROY's ex-wife as part of a divorce settlement.
f	At settlement, falsely represented, and aided and abetted the false representation, that a \$35,425.92 "consulting fee" was owed to JC Consultants and was to be paid by the seller at the time of the closing. In reality, JC Consultants was owned by the defendant, a fact which he failed to disclose to the lender, and the funds were received by the defendant.
g	At settlement, falsely represented, and aided and abetted the false representation, that \$76,123.40 was a deposit credit by the defendant, when in fact, that amount was never paid by the defendant in connection with this property.

6. Based on the falsified application and settlement sheet, Trident Mortgage approved the mortgage loan to defendant JOHN J. MCELROY. The funds were transferred from Trident Mortgage to the settlement company, American Freedom Assurance, in furtherance of the defendant purchasing 18 Glenwood Place, East Orange, New Jersey 07017.

7. On or about December 18, 2007, in the Eastern District of Pennsylvania,

and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

DESCRIPTION
\$276,920.38 wired from GMAB Trident Mortgage Company, L.P., Devon, PA, from account no. xxxx2683 at Chase Manhattan Bank, NA, NY, NY (bank routing #021000021) to American Freedom Assurance Inc., Berwyn, PA, account no. xxxxxx1605 at PNC Bank, NA, Philadelphia, PA (bank routing # 031000053).

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

COUNT EIGHTEEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. IndyMac Bank was a financial institution located in Pasadena, California, the deposits of which were insured by the Federal Deposit Insurance Corporation, Certificate No. 58912.

2. Between on or about November 15, 2007 and on or about December 20, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud IndyMac Bank, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY assisted straw purchaser N.W. with purchasing real property located at 7708 Belvoir Drive, Orlando, Florida 32835.

4. To purchase the property, on or about December 20, 2007, defendant JOHN J. MCELROY assisted the straw purchaser, N.W., in making application to IndyMac Bank through First Metropolitan Mortgage Company in Kennett Square, Pennsylvania, for a mortgage loan in the amount of \$481,500.

4. In furtherance of the scheme, defendant JOHN J. MCELROY falsified the application for the mortgage loans, and aided and abetted the falsified applications, in the following ways:

False Statement	
a	On the mortgage application, failed to disclose that on or about November 2, 2007, the applicant/buyer N.W. purchased 2312 S. Mellonville Avenue in Sanford, FL, from defendant MCELROY, and took a \$608,000 mortgage loan on the property.
b	On the mortgage application, misrepresented applicant/buyer N.W.'s assets by submitting a falsified Bank of America account statement that reflected a balance that was inflated by \$160,000.
c	On the mortgage application, provided false employment information and a fake document verifying "employment" for applicant/buyer N.W.
d	On the mortgage application, provided false residence information, and a fake verification of rent payment for applicant/buyer N.W.
e	Stated in a written response to inquiry from IndyMac Bank that the Mellonville property initially had not been included on the list of real estate assets because it was not the applicant/buyer's "primary" residence but instead was an investment property, when in reality, the defendant knew this to be false.
f	On the settlement sheet, falsely represented that applicant/buyer N.W. paid costs at closing between \$73,991.48 and \$84,691.48, when in fact the defendant knew that N.W. paid no monies at all and the settlement sheets had been falsified.

6. Based on the falsified application made through First Metropolitan Mortgage, IndyMac Bank approved the mortgage loan to straw purchaser N.W. The funds were transferred from IndyMac Bank to the title company, Nations Title Insurance Agency, L.L.C., Orlando, Florida, who then issued the funds for the purchase of 7708 Belvoir Drive, Orlando, Florida 32835.

7. On or about December 20, 2007, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and

sounds described below:

DESCRIPTION
\$482,743.82 wired from IndyMac Bank FSB, Pasadena, CA from account no. xxxxxxxxx2000 (bank routing #322270288) to Nations Title Insurance Agency LLC's account no. xxxxxxxxx8056 at Wachovia Bank, NA, Jacksonville, FL (bank routing #063000021).

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

COUNT NINETEEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Northwest Savings Bank was a financial institution located in Warren, Pennsylvania, the deposits of which were insured by the Federal Deposit Insurance Corporation, Certificate No. 28178.

2. On or about February 24, 2008 through on or about September 4, 2008, in the Eastern District of Pennsylvania, the Western District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

knowingly made and caused to be made to Northwest Savings Bank a false statement for the purpose of influencing the actions of Northwest Savings Bank upon loans that totaled \$144,900 in first and second mortgage loans on the property at 25168 State Street, Meadville, Pennsylvania 16336, in that defendant JOHN J. MCELROY knew the statements listed below were false:

	False Statement
a	Failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a \$459,000 mortgage loan on the property.
b	Failed to disclose that on or about December 4, 2007, the defendant purchased 724 Concord Road in Glen Mills, PA and took a \$202,500 mortgage loan on the property.
c	Failed to disclose that on or about December 18, 2007, the defendant purchased 18 Glenwood Place, East Orange, NJ and took a \$280,000 mortgage loan on the property.
d	Falsely reported his employer as JC Consultants with an annual income of \$300,000, when the defendant knew this statement was false.

All in violation of Title 18, United States Code, Sections 1014 and 2.

COUNT TWENTY

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Amtrust Bank was a financial institution located in Cleveland, Ohio, the deposits of which were insured by the Federal Deposit Insurance Corporation, Certificate No. 29776.

2. Between on or about July 7, 2008 and on or about September 9, 2008, in the Eastern District of Pennsylvania, the Western District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

devised and intended to devise a scheme to defraud Amtrust Bank, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOHN J. MCELROY entered into an agreement to purchase the real property located at 15188 Mill Street, Meadville, PA 16336.

4. To purchase the property, between on or about July 7, 2008 and on or about September 9, 2008, defendant JOHN J. MCELROY made application to Amtrust Bank for a mortgage loan in the amount of \$40,000.

5. In furtherance of the scheme, defendant JOHN J. MCELROY falsified his applications for the mortgage loan, and aided and abetted the falsified application in the following ways:

False Statements	
a	Failed to disclose that on or about July 31, 2007, the defendant purchased 2310 Garrett Road in Upper Darby, PA and took a \$459,000 mortgage loan on the property.
b	Falsely reported his employer as JC Consultants with an annual income of \$300,000, when the defendant knew this statement was false.

6. Based on the falsified applications, Amtrust Bank approved the mortgage loan to defendant JOHN J. MCELROY. The funds were transferred from Amtrust Bank to the attorney handling the sale of the property, T.T., Esquire, in furtherance of the defendant purchasing 15188 Mill Street, Meadville, Pennsylvania 16336.

7. On or about September 9, 2008, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below:

DESCRIPTION
\$39,071.63 wired from Amtrust Bank, 1801 East Ninth Street, Cleveland, OH 44114 from account no. xxxxx0433 to TT Esquire's account no. 004357075 at 1098 Market Street, Meadville, PA at National City Bank of Pennsylvania, Pittsburgh, PA (bank routing #04300122).

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

COUNTS TWENTY-ONE THROUGH THIRTY-ONE

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. In or about December 2006 through in or about September 2008, defendant JOHN J. MCELROY was, at times, employed as a mortgage broker.
2. In addition to his lawful employment, defendant JOHN J. MCELROY was also engaged personally in the purchase and sale of various real estate properties in the Eastern District of Pennsylvania and elsewhere.
3. To further his personal purchase and sale of real estate properties, defendant JOHN J. MCELROY established JC Consultants, a sole proprietorship. This business was not a legitimate business, but was used solely to assist in obtaining funds from fraudulent loan applications and to funnel the proceeds from the defendant's fraudulently obtained loans without revealing himself as the true recipient of the funds.
4. On or about June 26, 2007, the defendant opened a business bank account in the name of JC Consultants at the Police and Fire Federal Credit Union in Philadelphia, Pennsylvania.
5. During the period from in or about December 2006 through in or about September 2008 defendant JOHN J. MCELROY converted the proceeds of funds fraudulently obtained in a bank loan and wire fraud scheme, and transferred those funds to others involved in the fraud scheme.
6. On or about the dates set forth below, each instance constituting a separate count, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

knowingly conducted, and aided, abetted, and willfully caused, the following financial transactions affecting interstate commerce:

COUNT	DATE	DESCRIPTION
21	6/26/07	Deposit of \$121,000 check from WCTC Title and Escrow Services made payable to JC Consultants in connection with real estate transaction at 2312 S. Mellonville Avenue, Sanford, FL.
22	6/28/07	Transfer of \$60,000 from JC Consultants account to MCELROY's personal account at Police and Fire Federal Credit Union ("PFFCU").
23	9/25/07	Transfer of \$10,000 from JC Consultants account to MCELROY's personal account at PFFCU.
24	10/11/07	Transfer of \$15,000 from JC Consultants account to MCELROY's personal account at PFFCU.
25	11/2/07	Transfer of \$30,000 from JC Consultants account to MCELROY's personal account at PFFCU.
26	11/7/07	Wire transfer received in the amount of \$42,882.73 in MCELROY's personal account at PFFCU, in connection with the fraudulent sale of 2312 S. Mellonville Avenue, Sanford, FL.
27	11/7/07	Wire transfer in the amount of \$42,902.73 from MCELROY's personal account at PFFCU to G.F., a person known to the grand jury, at the Bank of America.
28	12/4/07	Check for \$29,262.49 issued by MCELROY to American Freedom Assurance for closing costs associated with the fraudulent purchase of 724 Concord Road in Glen Mills, PA.
29	12/8/07	Deposit of \$70,500 check from American Freedom Assurance made payable to JC Consultants in connection with fraudulent purchase of 724 Concord Road, Glen Mills, PA.

COUNT	DATE	DESCRIPTION
30	12/22/07	Transfer of \$70,000 from JC Consultant account to MCELROY's personal account at PFFCU.
31	12/23/07	Deposit of \$35,000 check from American Freedom Assurance made payable to JC Consultants but deposited into MCELROY's personal account at PFFCU, in connection with fraudulent purchase of 18 Glenwood Place, East Orange, NJ.

6. When conducting, aiding, abetting, and willfully causing, the financial transactions described in Paragraph Five above, defendant JOHN J. MCELROY knew that the property involved in those financial transactions represented the proceeds of some form of unlawful activity.

7. The financial transactions described in Paragraph Five above involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of 18 U.S.C. § 1343, and making false statements on loan applications, in violation of 18 U.S.C. § 1014, and defendant JOHN J. MCELROY acted with the intent to promote the carrying on of specified unlawful activity, and with the knowledge that the transactions were designed, in whole and in part, to conceal and disguise the nature, location, source, ownership and control of the proceeds

of the specified unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), (B)(i), and 2.

COUNTS THIRTY-TWO THROUGH FORTY-ONE

1. In or about December 2006 through in or about September 2008, defendant JOHN J. MCELROY was, at times, employed as a mortgage broker. During this time period defendant JOHN J. MCELROY was also engaged personally in the purchase and sale of various real estate properties in the Eastern District of Pennsylvania and elsewhere.

2. To further his personal purchase and sale of real estate properties, defendant JOHN J. MCELROY established JC Consultants, a sole proprietorship. This business was not a legitimate business, but was used solely to assist in obtaining funds from fraudulent loan applications on the real estate properties and to funnel the proceeds from the defendant's fraudulently obtained loans without revealing himself as the true recipient of the funds.

3. On or about the dates set forth below, each instance constituting a separate count, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHN J. MCELROY

knowingly engaged in, and aided, abetted, and willfully caused, a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, described more fully below, and such property was derived from a specified unlawful activity, that is wire fraud, in violation of 18 U.S.C. § 1343, and making false statements on loan applications, in violation of 18 U.S.C. § 1014:

COUNT	DATE	DESCRIPTION
32	6/26/07	Deposit of \$121,000 check from WCTC Title and Escrow Services made payable to JC Consultants in connection with real estate transaction at 2312 S. Mellonville Avenue, Sanford, FL.
33	6/28/07	Transfer of \$60,000 from JC Consultants account to MCELROY's personal account at Police and Fire Federal Credit Union ("PFFCU").

COUNT	DATE	DESCRIPTION
34	10/11/07	Transfer of \$15,000 from JC Consultants account to MCELROY's personal account at PFFCU.
35	11/2/07	Transfer of \$30,000 from JC Consultants account to MCELROY's personal account at PFFCU.
36	11/7/07	Wire transfer received in the amount of \$42,882.73 in MCELROY's personal account at PFFCU, in connection with the fraudulent sale of 2312 S. Mellonville Avenue, Sanford, FL.
37	11/7/07	Wire transfer in the amount of \$42,902.73 from MCELROY's personal account at PFFCU to G.F., a person known to the grand jury, at the Bank of America.
38	12/4/07	Check for \$29,262.49 issued by MCELROY to American Freedom Assurance for closing costs associated with the fraudulent purchase of 724 Concord Road in Glen Mills, PA.
39	12/8/07	Deposit of \$70,500 check from American Freedom Assurance made payable to JC Consultants in connection with fraudulent purchase of 724 Concord Road, Glen Mills, PA.
40	12/22/07	Transfer of \$70,000 from JC Consultant account to MCELROY's personal account at PFFCU.
41	12/23/07	Deposit of \$35,000 check from American Freedom Assurance made payable to JC Consultants but deposited into MCELROY's personal account at PFFCU, in connection with fraudulent purchase of 18 Glenwood Place, East Orange, NJ.

All in violation of Title 18, United States Code, Sections 1957 and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1343 and 1014 as set forth in this indictment, defendant

JOHN J. MCELROY,

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offense, up to and including the amount of \$4,060,300, as charged in this indictment.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (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 28, United States Code, Section 2461(c), incorporating 21 U.S.C. § 853(p), and Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Sections 982 and 981, and Title 28, United States Code, Section 2461.

NOTICE OF FORFEITURE #2

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1956 set forth in this indictment, defendant

JOHN J. MCELROY,

shall forfeit to the United States of America any and all property involved in such offenses, and any property traceable to such property.

2. Such property shall include, but not be limited to, a money judgment in the amount equal to at least \$526,547 in United States currency, representing the amount of property involved in the conspiracy to violate the Money Laundering Control Act.

3. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (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 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of

any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(b).

A TRUE BILL:

GRAND JURY FOREPERSON

ZANE DAVID MEMEGER
United States Attorney