

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
MICHAEL WILKERSON	:	VIOLATIONS:
JOYCE WILKERSON	:	18 U.S.C. § 1344 (bank fraud - 1 count)
LEE GARELL	:	18 U.S.C. § 1014 (loan application fraud -
DENISE HAINES	:	5 counts)
	:	18 U.S.C. § 2 (aiding and abetting)
		Notice of Forfeiture

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

THE DEFENDANTS

At all times material to this indictment:

1. Defendant **MICHAEL WILKERSON**, a pastor at New Millenium Life Restoration Fellowship in Montgomery County, PA, operated a business called Agape Development Company (“Agape Development”), which purported to be a real estate development company.
2. Defendant **JOYCE WILKERSON** was a part owner of Agape Development and was, at relevant times, the wife of defendant **MICHAEL WILKERSON**.
3. Defendant **LEE GARELL** was a real estate broker with Long & Foster Companies.
4. Defendant **DENISE HAINES** was a mortgage broker with American Group Mortgage Corporation.

5. Chase Manhattan Bank was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

6. From in or about December 2006, to in or about August 2008, defendants

**MICHAEL WILKERSON,
JOYCE WILKERSON,
LEE GARELL, and
DENISE HAINES**

knowingly executed, attempted to execute, and aided and abetted the execution of, a scheme to defraud Chase Manhattan Bank, and to obtain monies owned by and under the care, custody, and control of that financial institution by means of false and fraudulent pretenses, representations, and promises.

THE SCHEME

It was part of the scheme that:

7. Defendants **MICHAEL WILKERSON, JOYCE WILKERSON, LEE GARELL, and DENISE HAINES** misled mortgage lenders into funding loans totaling approximately \$6,395,000 for the purchase of houses by falsifying mortgage loan documents.

Defendant Michael Wilkerson Recruits People to the Scheme

8. Defendant **MICHAEL WILKERSON** recruited several of his congregants, and the congregant's families and friends, to participate in a number of real estate transactions. Defendant **MICHAEL WILKERSON** approached these congregants with a proposition: provided that they had good credit, they could act as purchasers of houses. These congregants would sign some paper work and attend a closing. They would then be the titled owners of a house. Defendant **JOYCE WILKERSON** would also be named as a co-owner of

the house. These congregants, who were actually fake or “straw purchasers” would have mortgage loans in their names for the purchases of the houses.

9. Defendant **MICHAEL WILKERSON** first told the “straws” that they needed to do no more than sign the paperwork. Defendant **MICHAEL WILKERSON** told these “straws” that he would rent the houses for a period of time, wait until the value of the houses rose, and then re-sell the houses for a profit. In the meantime, he would either pay the mortgages or provide the “straws” with money to do so.

10. Defendant **JOYCE WILKERSON** participated with defendant **MICHAEL WILKERSON** in explaining the transactions to “straws” and their families.

11. For their trouble, defendant **MICHAEL WILKERSON** would pay the “straws” approximately \$15,000 for agreeing to pretend to purchase the homes and to sign the paperwork. He also paid the “straws” a \$5,000 fee if they referred another “straw” purchaser to him.

12. Defendant **MICHAEL WILKERSON** recruited a number of people to be “straw” purchasers, including L.C., M.C., V.H., A.M., and S.M.

The Defendants Arrange for False Loan Application Documents and Appraisals

13. Defendant **MICHAEL WILKERSON** provided defendant **DENISE HAINES** with the names of the “straws” and some of their financial information in order for defendant **HAINES** to obtain loans to finance the purchases of the houses.

14. Defendant **DENISE HAINES** spoke with each of the “straw” purchasers on the telephone and obtained information about their means of employment, income, and assets.

15. Defendant **DENISE HAINES** prepared loan applications and submitted

them to Chase Manhattan Bank for their approval. Defendant **HAINES** knew that the loans would be approved with little verification of the information on the loan applications.

16. Defendant **DENISE HAINES** entered the false information on the loan applications.

17. Defendant **DENISE HAINES** submitted the fraudulent loan applications to Chase Manhattan Bank. These false loan applications made it appear that each of the “straws” earned much more money and had many more assets than, in fact, he or she did. The fraudulent loan applications also made it appear that each of the “straws” intended to use the house being purchased as their primary residence, as opposed to rental property.

18. Defendant **MICHAEL WILKERSON** obtained appraisals for the homes that significantly over-valued the properties.

19. Based on the information in the loan applications and appraisals, Chase Manhattan Bank issued loans to the “straws,” most of which were more than \$1,000,000 each.

The Structure of the Transactions

20. Defendants **MICHAEL WILKERSON** and **LEE GARELL** structured each of the “straw” party transactions the same way. Defendant **GARELL** prepared the sales paper work for the purchase of a house by Agape Development from the home builder and for the later assignment of the house from Agape Development to the “straw” and defendant **JOYCE WILKERSON**. Defendant **MICHAEL WILKERSON** used the paper work from the first transaction – which defendant **GARELL** prepared – as a template for subsequent transactions.

21. Defendant **MICHAEL WILKERSON** made no improvements to any of the houses between the time of the original purchase and the later sale of the houses to the

“straws” and defendant **JOYCE WILKERSON**, but defendant **MICHAEL WILKERSON** significantly increased the price of the assignment of each house to as much as double the original sale price.

22. Defendant **DENISE HAINES** disregarded conditions Chase Manhattan Bank placed on their agreement to fund the loans to the “straws,” and did not inform Chase Manhattan Bank: that the loans were to fund the home purchases that were an assignment from Agape Development to the “straws” and defendant **JOYCE WILKERSON**; that the price of each house had dramatically increased from the original sale to the assignment; and that the houses were to be used as rental properties.

The Flow of Money in the Transactions

23. HUD-1 settlement sheets were prepared prior to the sales of each house to the “straws” and defendant **JOYCE WILKERSON**, at the direction of defendants **MICHAEL WILKERSON** and **LEE GARELL**.

24. Defendants **MICHAEL WILKERSON**, **JOYCE WILKERSON**, **LEE GARELL** and **DENISE HAINES** manipulated each of the settlements on the houses sold to the “straws” - M.C., L.C., V.H., A.M., and S.M. - and defendant **JOYCE WILKERSON** to make it falsely appear on the HUD-1 settlement sheets that the “straws” brought considerable cash to the closings, when, in fact, all of the money involved at the time of each settlement came from Chase Manhattan Bank and the “straws” did not invest any money.

25. Defendant **MICHAEL WILKERSON**, **JOYCE WILKERSON**, **LEE GARELL** and **DENISE HAINES** profited from the sales of the properties to the “straws” with monies obtained from Chase Manhattan Bank.

26. With the authorization of defendants **MICHAEL WILKERSON** and **LEE GARELL**, defendant **JOYCE WILKERSON** paid the “straws” by handing them checks totaling \$15,000 at the conclusion of the settlements.

27. Defendant **JOYCE WILKERSON** falsely verified that the information contained in each of the HUD-1 settlement sheets was a true and accurate statement of the receipts and disbursements made at the time of the settlement when she knew it was not.

28. Following each settlement, defendant **DENISE HAINES** forwarded, and caused to be forwarded, the fraudulent settlement sheets to Chase Manhattan Bank as evidence that their conditions for agreeing to fund the loans to the “straws” had been met.

The Houses Fall Into Foreclosure

29. Defendants **MICHAEL WILKERSON** and **JOYCE WILKERSON**, rather than any of the “straws,” took possession of the five houses after the settlements, rented out four of them, and lived in the other.

30. For approximately six months, defendant **MICHAEL WILKERSON** received rent from the houses and provided a part of that money to the “straw” purchasers, in the form of checks. He instructed the “straws” to deposit the money in their bank accounts and then make the monthly mortgage payments from that money to Chase Manhattan Bank.

31. After approximately six months, defendant **MICHAEL WILKERSON** stopped providing money to the “straws” and told them to pick up the mortgage payments themselves, thereby, causing the loans to fall into default and then foreclosure, resulting in a loss of approximately \$3,000,000.

All in violation of Title 18, United States Code, Sections 1344, 1349, and 2.

COUNTS TWO THROUGH SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5 and 7 through 31 of Count One are realleged here.
2. On or about the following dates, each transaction constituting a separate count of this indictment, in the Eastern District of Pennsylvania, and elsewhere, defendants

**MICHAEL WILKERSON,
JOYCE WILKERSON,
LEE GARELL, and
DENISE HAINES**

knowingly made and caused to made, and aided and abetted the making of, false statements to Chase Manhattan Bank for the purpose of influencing the actions of Chase Manhattan Bank upon loans, in that defendants **MICHAEL WILKERSON, JOYCE WILKERSON, LEE GARELL, and DENISE HAINES** caused Chase Manhattan Bank to fund residential property loans based on loan applications in which the appraised value of the property, the identification of the parties, the source of funds, the borrower's income and assets, and intent to take possession of the property as their primary residence, were falsely stated.

COUNT	APPROXIMATE DATE OF SETTLEMENT	LOAN APPLICANT	LOAN AMOUNT	PROPERTY
2	12/18/2006	M.C.	\$1,296,702.23	967 Turnberry Circle Schwenksville, PA
3	1/18/2007	L.C.	\$1,197,778.15	986 Turnberry Circle Schwenksville, PA
4	2/16/2007	V.H.	\$1,296,771.44	976 Turnberry Circle Schwenksville, PA
5	3/13/2007	A.M.	\$1,295,243.65	990 Turnberry Circle Schwenksville, PA

6	5/3/2007	S.M.	\$1,306,116.46	189 Pumpkin Hill Rd. Glenmoore, PA
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All in violation of Title 18, United States Code, Sections 1014 and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violation(s) of Title 18, United States Code, Section 1344 and 1014, as set forth in this indictment, defendants

**MICHAEL WILKERSON,
JOYCE WILKERSON,
LEE GARELL, and
DENISE HAINES**

shall forfeit to the United States of America any property that constitutes, or is derived from, proceeds obtained directly or indirectly from the commission of such offense(s), including, but not limited to, the sum of \$6,395,000.

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

- (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 Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant(s) up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Sections 981(a)(1)(C).

A TRUE BILL:

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**