

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NORTH DAKOTA
SOUTHWESTERN DIVISION

UNITED STATES OF AMERICA

v.

DAVID KAUFMAN

) I N F O R M A T I O N

)

) Case No. 1:12-cr-171

)

) Violations: 18 U.S.C. § 1503

)

)

)

The United States Attorney Charges:

Introductory Allegations

At all times material to this Information:

1. Defendant DAVID KAUFMAN was a certified public accountant, licensed in the state of Arizona. Defendant KAUFMAN served as the outside auditor for American Mortgage Specialists, Inc. ("AMS") and, in that capacity, audited the annual financial statements of AMS for a period of years.

2. AMS was an Arizona corporation headquartered in Mesa, Arizona. AMS was in the business of originating residential real estate mortgage loans to borrowers in Arizona and other states and then selling the loans to institutional investors, including J.P. Morgan Chase and Wells Fargo. AMS obtained funding for the loans by selling participation interests in the loans to financial institutions, including BNC National Bank ("BNC").

3. BNC was a national bank with headquarters in Bismarck, North Dakota and had offices in several states, including Arizona. BNC was a member of the Federal Home Loan Bank of Des Moines, one of twelve regional banks established by Congress to support mortgage lending and BNC's deposits were insured by the Federal Deposit Insurance Corporation. In January 2009,

BNC's holding company received approximately \$20,000,000 in federal funds under the Troubled Asset Relief Program ("TARP") and approximately \$17,000,000 of the TARP funds were subsequently injected into BNC by the holding company.

4. By summer 2011, the Office of the Special Inspector General for the Troubled Asset Relief Program ("SIGTARP"), the Office of the Inspector General for the Federal Housing Finance Agency ("FHFA OIG"), the U.S. Department of Justice, Criminal Division, Fraud Section, and a federal grand jury sitting in the District of Arizona had initiated a criminal investigation into allegations that employees and agents of AMS had defrauded BNC of well over \$20,000,000.

5. On February 1, 2012, federal agents from SIGTARP and FHFA, along with federal prosecutors, met with defendant KAUFMAN in Washington, D.C. to discuss improprieties in certain of AMS's audited, year-end financial statements, which had been certified by defendant KAUFMAN in his capacity as independent auditor for AMS and which subsequently were distributed by AMS to BNC. Prior to the meeting, defendant KAUFMAN was informed that federal agents and a grand jury was conducting a federal criminal investigation.

COUNT 1

(Obstruction of Justice – 18 U.S.C. § 1503)

6. On or about February 1, 2012, well knowing that federal agents and the grand jury were conducting a federal criminal investigation, defendant KAUFMAN did corruptly endeavor to influence, obstruct, and impede the due administration of justice by voluntarily, knowingly, and willfully making a materially false statement and representation to federal agents of SIGTARP and FHFA OIG., knowing that his false statement and representation could have the likely effect of obstructing the federal grand jury's investigation. Specifically, defendant KAUFMAN, knowing full

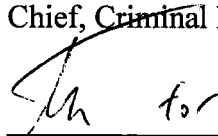
well about the grand jury investigation, denied to federal agents that he recently had a conversation with an executive at AMS in which defendant KAUFMAN explained that, on certain of AMS's year-end, certified financial statements, he had combined two annual expenses on AMS's balance sheet to conceal the true nature and extent of AMS's financial condition to BNC. The statement and representation was false because, as defendant KAUFMAN there and then knew, he did in fact recently have the conversation, described above, with an executive of AMS. Defendant KAUFMAN made this statement to federal agents knowing that his false statement could have the likely effect of obstructing the grand jury's investigation.

(In violation of Title 18, United States Code, Section 1503).

TIMOTHY Q. PURDON
United States Attorney

DENIS J. McINERNEY
United States Department of Justice
Chief, Criminal Division, Fraud Section

BY:



ROBERT ZINK
Trial Attorney
JACK B. PATRICK
Senior Litigation Counsel
Criminal Division, Fraud Section

CRIMINAL CASE COVER SHEET— U.S. DISTRICT COURT**Place of Offense:**County: Burleigh**Related Case Information:**☒

Information

☐

Indictment

☐

Superseding

☐

Superseding Indictment

Docket No:

1:12-cr-171☐

Same Defendant

☒

New Defendant

Recommended Division: SWExplanation: See place of offense

Magistrate Judge Case No: _____

Search Warrant Case No: _____

R 20/R 40 from District: _____

Defendant Information:Defendant Name David Kaufman

Aliases _____

Address _____

Birthdate _____

Social Security No. _____

Sex _____

Alien _____

☐

Juvenile – Matter to be sealed

☐

Interpreter requested. Language and/or Dialect: _____

U. S. Attorney Information:

USA/AUSA

Jack B. Patrick/Robert Zink

Name of Agency

Federal Housing Finance Association**Location Status:**☒

Not arrested. Requesting

☒

Summons

☐

Warrant

☐

Arrested on _____

☐

On Pretrial Release as _____

by Order of Magistrate Judge _____

☐

Already in Federal Custody as of _____

in _____

☐

Already in State Custody in _____

☐

Detainer Filed on _____

☐

Fugitive _____

U.S.C. Citations:

Total # of Counts

1☐

Petty

☐

Misdemeanor

☒

Felony

U.S. Code/Index Key	Description of Offense Charged/Statutory Maximum Penalties	Count(s)
18 U.S.C. 1503	Obstruction of Justice (10 years/\$250,000)	1