



*U.S. Department of Justice
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**TWO MISSISSIPPI LAWYERS PLEAD GUILTY TO MONEY LAUNDERING
CONSPIRACY AND FEDERAL BANK FRAUD**

Jackson, Miss -- Charles H. Evans, Jr., 57, of Jackson, and his brother Jon Christopher Evans, 53, also of Jackson, pled guilty in U.S. District Court today to conspiracy to commit money laundering and bank fraud, U.S. Attorney John M. Dowdy, Jr. and FBI Special Agent in Charge Daniel McMullen announced.

Charles H. Evans, Jr., an attorney who operated The Evans Firm in Jackson, Mississippi, was an approved attorney for Mississippi Valley Title Company ("MVT"), and was authorized to provide title opinions and prepare certificates of title for MVT, which MVT used and relied upon in order to issue title insurance policies to banks making loans for the purchase of real estate. His brother, Jon Christopher Evans, also an attorney in Jackson, served as the registered agent for numerous shell companies in the Jackson area which were owned and operated by the Evans brothers and used to further their scheme.

In 2003, the Evans brothers devised a plan to secure mortgage proceeds from banks by providing false information including phony legal descriptions, title and lien history, and ownership of real estate the defendants were intending to purchase. They began their scheme by contracting to purchase multi-acre tracts of land. However, before actually purchasing a particular multi-acre tract, they would falsely subdivide the multi-acre tract on paper and create phony legal descriptions and title history of the property, and sometimes create false warranty deeds, in order to secure mortgages on the individual plots of land from multiple banks using various shell companies owned and controlled by the Evans brothers. Based upon these false documents subdividing the land, the Evans brothers were able to borrow a larger amount of money than they would have received if the entire tract had been financed legally through a single loan from one bank. The Evans brothers used the excess mortgage proceeds they received from this scheme to pay the respective mortgages on the property financed, enrich themselves, and continue their scheme of fraudulently securing mortgage funding on falsely subdivided land.

The Evans brothers continued acquiring property through this scheme for a number of years by using different banks and appraisal companies, as well as various shell companies owned and controlled by them, and by falsifying the financial statements of Chris Evans in order to continue to secure such fraudulent financing. The Evans' scheme covered property from Madison County, Mississippi, to Southaven, Mississippi, to the State of Texas.

After the Evans brothers could no longer locate suitable property upon which they could execute their scheme, they began “double pledging” their existing property, that is, they began fraudulently securing new, additional mortgages on their already-encumbered property by selling such property to other shell companies that they also owned and controlled, creating false documents in order to misrepresent and conceal encumbrances upon such land to the lending financial institutions and to title insurance companies. As a result, each lending financial institution relied upon such misrepresentations, believing it had received a priority security interest in the subject property as collateral for the respective loan, when in fact it had not. Charles Evans would perform the fraudulent title work for these real property transactions, including the creation of false certificates of title upon which the title insurance commitments would be issued and upon which banks would write mortgages and disburse mortgage proceeds to shell companies owned and controlled by the Evans brothers, and Charles Evans would perform the closings on most, if not all, of the real estate transactions. Contrary to the representations made by Charles Evans in certificates of title, record title to the subject property was almost never transferred into the subsequent entity owned and controlled by the Evans brothers that actually borrowed the funds and in whose name title was insured. Rather, record title almost always remained in the name of the seller corporation owned and controlled by the Evans brothers. Thus, banks that issued such loans were stuck with outstanding balances owed and no collateral, based upon the Evans’ fraudulent misrepresentations as to the title and lien history of such property. The Evans brothers continued their fraudulent scheme for over 6 years until the scheme was discovered in September 2009.

"The subjects of this investigation committed commercial mortgage fraud on an extremely large scale. Multiple financial institutions in Mississippi and Texas were defrauded as a result of this complex scheme," stated Daniel McMullen, Special Agent in Charge of the FBI in Mississippi. "I applaud the efforts of the investigators and prosecutors who untangled this plot and brought these men to justice."

The Evans brothers are scheduled to be sentenced by U.S. District Court Judge Daniel P. Jordan, III on June 27, 2011. Conspiracy to commit money laundering carries a maximum sentence of 20 years in prison and a \$500,000 fine or twice the value of the property involved in the transaction, whichever is greater. The federal bank fraud charge carries a maximum sentence of 30 years in prison and a \$1,000,000 fine.

U.S. Attorney Dowdy and FBI Special Agent in Charge Daniel McMullen praised the efforts of special agents from the FBI Office in Jackson, and Assistant U.S. Attorney Mike Hurst, who is prosecuting the case.

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