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**FORMER OWNER OF AFS FINANCIAL COMPANY
SENTENCED IN FEDERAL COURT FOR SBA FRAUD IN
CONNECTION WITH HURRICANE IKE**

Defendant ordered to pay restitution in the amount of \$126,300.00

Lake Charles, La.: United States Attorney Stephanie A. Finley announced today the sentencing of Sherrie Shorten, 51, of Splendora, TX, formerly of Sulphur, La. U.S. District Judge Patricia Minaldi sentenced Shorten to 18 months in prison and three years supervised release for conspiracy charges. The judge also ordered the defendant to pay \$126,300.00 in restitution.

Shorten was charged, along with her husband Mark Shorten, a/k/a Alan Parsons, A.J. Parsons "Bull," in September of 2010 and they both pleaded guilty on June 9, 2011, to conspiracy. Sherrie and Mark Shorten conspired to embezzle money from victims of Hurricane Ike in 2008 by assisting them in obtaining a Small Business Association (SBA) loan for the repairs to the damage the victims' house sustained during the hurricane.

Sherrie Shorten, the owner of AFS Financial (AFS), helped the victims to obtain a loan, and Mark Shorten, owner of U.S. Expedited, a construction/repair company, agreed to be the contractor for the repairs. Once the loan of \$126,300.00 was approved, the victims signed a limited power of attorney and gave AFS authority to communicate and transact business with the SBA for the purpose of having the loan disbursed. Sherrie Shorten told the family that they needed to open a joint bank account with her at Mid South Bank to use the account to receive the SBA money and to pay Mark Shorten for the construction work. In order to disburse the loan, SBA required receipts and itemized expenses to justify the money disbursements. Between March of 2009 and July of 2009, Sherrie Shorten faxed fraudulent receipts and documents to SBA, causing SBA to disburse the entire amount of the loan into the Mid South bank account. Sherrie Shorten then proceeded to empty the account by writing checks to AFS, U.S. Expedited and to herself. Mark Shorten completed approximately 19 percent of the work and then abandoned the job. When the victims tried

to contact Mark and Sherrie Shorten, they discovered that the defendants had abandoned their residence. They soon discovered that the joint checking account at Mid South bank had a zero balance.

Mark Shorten was sentenced on January 19, 2012 to 18 months in prison and three years supervised release.

United States Attorney Stephanie A. Finley stated, "Hurricanes wreak havoc on citizen's lives, but when criminals like The Shorten's are willing to take advantage of victims who are attempting to rebuild their lives, it makes the horrendous situation worse. This fraud was driven by greed. Unscrupulous people who try to profit from the misfortunes of disaster victims should know that we will aggressively prosecute these cases."

The case was investigated by the Small Business Administration and is being prosecuted by Assistant United States Attorney Kelly P. Uebinger.

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