U.S. DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
FILED OCT 18 2018
WILLIAM W. BLEVINS
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA	*	**CRIMINAL NO. 18-121**
v.	*	**SECTION: "M"**
JAMES BRIANT	*	

* * *

FACTUAL BASIS

The above-named defendant, **JAMES BRIANT**, has agreed to plead guilty to Count One of the Bill of Information now pending against him. Should this matter have gone to trial, the United States of America would have proven beyond a reasonable doubt, through the introduction of relevant, competent, and admissible testimonial, physical and demonstrative evidence, the following facts to support the allegations against the defendant, **JAMES BRIANT**:

Unless stated otherwise, all of the facts set forth herein occurred within the Eastern District of Louisiana.

COUNT 1: FALSE STATEMENT
(False Statement, 18 U.S.C. § 1001)
False Statement

I. *Social Security Disability Benefits*

The United States Social Security Administration ("SSA") is an agency or department of the United States. In 1956, the Social Security Act of 1935 was amended to establish a Trust Fund within the United States Treasury to provide assistance to individuals who have reached a certain age, or suffer a disability, and have lost earning power. The purpose of the Trust fund is to reduce dependency on private or public charity. The Trust Fund is funded through taxpayer dollars and constitutes funds of the United States.

Title II of the Social Security Act is meant to pay benefits to individuals with disabilities preventing them from working ("Disability Benefits"). Title II programs rely on beneficiaries to accurately report their disability and any changes in their income. Eligibility for Disability Benefits is difficult to verify without accurate reporting by beneficiaries as to their income or changes in their financial resources. Social Security Disability Benefits also constitute federal funds.

II. *False Statements and Omissions by* **JAMES BRIANT**

On or about June 10, 2010, the defendant, **JAMES BRIANT**, applied for disability benefits for a back disorder and heart disease. The Social Security Administration reviewed his application and determined that he qualified for disability benefits. In or around December 2011, the defendant, **JAMES BRIANT**, began receiving monthly disability benefits of approximately $2,370, based on his representation that he was disabled and unable to work.

As a condition to receiving disability benefits, on or about June 18, 2011 employees of the SSA advised the defendant, **JAMES BRIANT**, that he was required to report any income changes to the Social Security Office. Income changes included requiring him to report to the SSA if he was able to work full time or part time and earn income.

At a time unknown but prior to September 2012, Alpha Mortgage, L.L.C. was a mortgage company in Mandeville, Louisiana, within the Eastern District of Louisiana.

On or about August 8, 2012, and continuing to the present, the defendant, **JAMES BRIANT**, worked as the manager and a senior loan officer at Alpha Mortgage, L.L.C. Other Alpha Mortgage employees would testify, and documents such as **JAMES BRIANT's** own business card, the Alpha Mortgage website, and mortgage closing documents confirm that **JAMES BRIANT** worked full time as a senior loan officer. **BRIANT** regularly came to the Alpha

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Mortgage office during normal business hours from Monday through Friday and worked full-time to manage office operations, payroll and personnel matters, and perform closings and other mortgage related tasks. Records from the Louisiana Office of Financial Institutions ("LOFI") confirmed that from September 2012 through December 31, 2015, **BRIANT** listed himself as the Loan Originator on 138 mortgage loans. LOFI records also demonstrated that **BRIANT** amended the Articles of Incorporation and listed himself as the Manager of Alpha Mortgage. Bank records show that **BRIANT** is the only individual with signature authority for the Alpha Mortgage account and signed all checks paid to employees of Alpha Mortgage.

Alpha Mortgage employees would testify, and bank records would confirm, that **BRIANT** paid himself by issuing paychecks to his wife, A.B.

On December 15, 2015, **BRIANT** completed a SSA-Form 795, "Statement of Claimant." In this statement, he signed and certified, under penalty of perjury:

> I haven't worked since 2011. My father owns Alpha Mortgage LLC in Mandeville, LA. I am his sole heir to the business. The business is still in his name. My wife, A., is the office manager and processor of the business. I go to the office every day for several hours to visit and socialize with the customers and my wife. I don't do any work at or for the business. My wife does all of the work. She writes the checks for the business and the only thing I do is sign them. I am a mortgage broker and I do keep my license. My wife isn't a mortgage broker and she doesn't need a license for what she does. She started working at Alpha Mortgage about 3 years ago.

BRIANT signed this statement declaring "under penalty of perjury that I have examined all the information on this form . . . and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false statement about a material fact on this form . . . commits a crime and may be subject to a fine or imprisonment." At the time **BRIANT** made the statement, he knew the information was materially false because he was, in fact, working

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full-time as a mortgage broker, earning an income. Witnesses would confirm that his wife A.B. did not work at Alpha Mortgage, **BRIANT** did. Further, investigators interviewed several title companies that confirmed that they regularly worked with **BRIANT** on closings.

On September 26, 2016, an LSP Investigator, along with Special Agent Alan Huynh interviewed **BRIANT** at Alpha Mortgage. Agent Huynh advised **BRIANT** that the interview concerned possible social security fraud and that the interview was voluntary; **BRIANT** could leave the interview at any time. **BRIANT** acknowledged that he understood and would cooperate. During the interview, **BRIANT** told investigators that he owned Alpha mortgage but did not get a salary. He stated he just "helps out" at the office and does not get paid. He explained that he works as a loan originator or loan officer and receives 1.5 to 2.0 points for each mortgage loan. For the loans he originates, he does not keep the money, he puts the money into the company and the company has not had a profit since 2012. **BRIANT** also explained that his wife is the office manager and he only works 15-18 hours per week.

From in or around August 2012 through the present, the defendant, **JAMES BRIANT** failed to report any income changes to the Social Security Administration.

JAMES BRIANT earned the below income from 2013 through 2016:

Year	**Income**
2013	$31,150
2014	$66,200
2015	$131,311
2016	$47,492 (for 1st and 2nd Quarters)

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In all, **JAMES BRIANT**, received a total of $134,194 in Social Security Disability Benefits, that he was not entitled to by failing to report his income to the SSA and lying to SSA officials when asked about whether he was working and whether he earned an income.

The defendant, **JAMES BRIANT,** further agrees that the information herein is not all the information known or known to him about his fraudulent conduct, but that facts contained in this Factual Basis are true and correct, and support the offense charged in Count 1 of the Bill of Information.

READ AND APPROVED:

10/18/18

RALPH WHALEN DATE
Counsel for Defendant

10/18/18

SHARAN LIEBERMAN DATE
Assistant United States Attorney

10/18/18

JAMES BRIANT DATE
Defendant