

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF LA, gk
2018 OCT 25 P 2:36
WILLIAM W. BLEVINS
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

BILL OF INFORMATION FOR FALSE STATEMENT TO A BANK

UNITED STATES OF AMERICA

*

CRIMINAL NO.

18 - 221

VERSUS

*

SECTION:

SECT. B MAG. 2

VALERIE SCHONES

*

VIOLATIONS: 18 U.S.C. § 2

JARED CASTELLAW

*

18 U.S.C. § 1014

PATRICK HEALEY

* * *

The United States Attorney charges that:

COUNT 1

A. AT ALL TIMES MATERIAL HEREIN:

1. ABC Homes, LLC ("ABC Homes") was a limited liability company located in St. Bernard Parish, in the Eastern District of Louisiana. ABC Homes's mission was to renovate, market, and sell affordable single family residences located in the Greater New Orleans area, specifically, St. Bernard Parish.

2. Defendant **JARED CASTELLAW** ("CASTELLAW") was the Operations Director, employed by ABC Homes to handle day-to-day operations, as well as to oversee the marketing and sale of ABC Homes's residences.

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3. **CASTELLAW** had signatory authority on Regions Bank Accounts ending in 7543 and 7632 where ABC Homes' affiliated entities, ABC Homes Equity Fund I and ABC Homes Equity Fund III, conducted much of its operations ("ABC Homes Account(s)").

4. XYZ Financial was a mortgage lending institution based in Tucson, Arizona. XYZ Financial was authorized by the United States Department of Housing and Urban Development, ("HUD") and its agency the Federal Housing Administration ("FHA") to qualify borrowers for FHA insured home loans.

5. In order to qualify borrowers for FHA insured loans, XYZ Financial signed an agreement, which it submitted to the FHA, establishing an agency relationship, where XYZ Financial promised to conform with all HUD and FHA regulations. The Yearly Verification Report made XYZ Financial eligible to extend FHA insured loans.

6. HUD and the FHA relied on XYZ Financial to conduct due diligence of FHA loans, including determining the borrower's credit history, capacity to pay, cash to close, and collateral. XYZ Financial owed the FHA and HUD the duty to exercise the same level of care that HUD or the FHA would exercise in obtaining and verifying information for a loan.

7. Defendant **VALERIE SCHONES ("SCHONES")**, was a loan officer at XYZ Financial and worked almost exclusively with ABC Homes in qualifying borrowers for FHA loans so they could buy homes owned by ABC Homes or its affiliated entities.

8. Defendant **PATRICK HEALEY ("HEALEY")**, was an ABC Homes employee whose primary responsibility was to recruit buyers and assist them in qualifying for FHA mortgages through XYZ Financial.

9. Title Company A was the title company that ABC Homes used to close FHA loans financed by XYZ Financial.

10. HUD policies governing FHA loans prohibited sellers and other parties with a financial interest in the sale of the residence from providing closing costs to borrowers, but permitted closing costs to be “gifted” to borrowers from family members or other permissible donors.

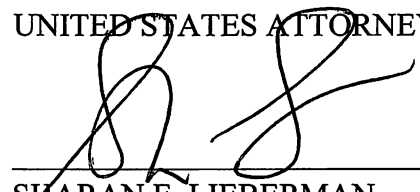
11. HUD policies governing FHA loans also prohibited sellers and other parties with a financial interest in the sale of the residence from providing funds to satisfy other debts.

B. THE OFFENSE:

Beginning in or around October 2008 and continuing to on or about May of 2009, in the Eastern District of Louisiana and elsewhere, the defendants, **JARED CASTELLAW**, **VALERIE SCHONES**, and **PATRICK HEALEY** knowingly and intentionally made false statements to XYZ Financial, an agent of the Federal Housing Administration, for the purpose of influencing the lending action of XYZ Financial, by inducing XYZ Financial to qualify borrowers for Federal Housing Administration insured loans.

All in violation of Title 18, United States Code, Sections 1014 and 2.

PETER G. STRASSER
UNITED STATES ATTORNEY



SHARAN E. LIEBERMAN
EDWARD J. RIVERA
Assistant United States Attorney

New Orleans, Louisiana
October 25, 2018

No. _____

United States District Court

FOR THE

EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

vs.

VALERIE SCHONES
JARED CASTELLAW
PATRICK HEALY

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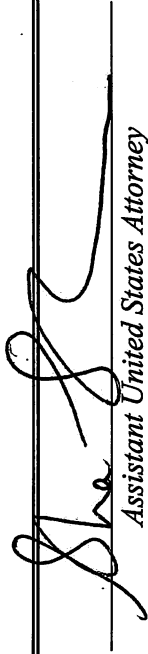
BILL OF INFORMATION FOR
FALSE STATEMENT TO A BANK

Violation(s): 18 U.S.C. § 2
18 U.S.C. § 1014

Filed _____, 20 18

_____, Clerk.

By _____, Deputy


Assistant United States Attorney
SHARAN E. LIEBERMAN