

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
07-20773-CR-MARTINEZ/BANDSTRA
CASE NO. _____

18 U.S.C. § 1349

UNITED STATES OF AMERICA

vs.

**RICHARD WELDON CROWDER, II,
GARY MARK MILLS, and
KAREN LYNN SULLIVAN,**

Defendants.

INFORMATION

The United States Attorney charges that:

**CONSPIRACY TO COMMIT BANK FRAUD
(18 U.S.C. § 1349)**

1. Defendant **RICHARD WELDON CROWDER, II**, was a licensed mortgage broker doing business in Miami-Dade and Broward Counties, and was the owner of a company named America's Best Mortgage Services, Inc. located in Coconut Creek, Florida. As a mortgage broker, he was responsible for preparing and processing mortgage applications and associated paperwork on behalf of real estate buyers.

2. Defendant **GARY MARK MILLS**, a licensed attorney, was a title and settlement agent and the owner of Four Star Title Inc. located in Deerfield Beach, Florida. As a title and settlement agent, he was responsible for preparing settlement statements, issuing title commitments and policies, collecting borrower's cash at closing, disbursing mortgage proceeds and other funds, and insuring that relevant paperwork was properly completed for real estate closings. He, therefore,

bore a fiduciary responsibility to the banks and other lending institutions whose loans he closed.

3. Defendant **KAREN LYNN SULLIVAN** was a loan officer for Wachovia Bank, N.A. (hereinafter "Wachovia") doing business in Miami-Dade and Broward Counties, in the Southern District of Florida, and elsewhere.

4. At all times relevant to this Information, Wachovia was a financial institution with offices located throughout the United States, including in the State of Florida, and whose accounts were insured by the Federal Deposit Insurance Corporation.

5. At all times relevant to this Information, Washington Mutual Bank, Chevy Chase Bank, and Colonial Savings FA (hereinafter the "First Mortgage Lending Institutions") were financial institutions whose accounts were insured by the Federal Deposit Insurance Corporation.

6. From in or around January, 2003, through in or around November, 2003, in Miami-Dade and Broward Counties, in the Southern District of Florida, and elsewhere, the defendants,

**RICHARD WELDON CROWDER, II,
GARY MARK MILLS, and
KAREN LYNN SULLIVAN,**

did wilfully, that is with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with others known and unknown to the United States Attorney, to commit certain offenses against the United States, that is, to knowingly and with intent to defraud execute a scheme and artifice to defraud and to obtain moneys, funds and property owned by and under the custody and control of financial institutions, that is, Wachovia, Washington Mutual, Chevy Chase Bank, and Colonial Savings FA, by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

Purpose Of The Conspiracy

7. It was the purpose of the conspiracy for the defendants to unlawfully enrich themselves by submitting false and fraudulent mortgage loan applications and related documents to banks and other lending institutions, thereby inducing the banks and lending institutions to make mortgage loans on residential real estate to unqualified buyers in amounts that were substantially greater than the actual purchase price for the properties. It was further the purpose of the conspiracy for the defendants to use the mortgage loan money received in excess of the true purchase price of the properties to pay themselves bonuses and fees, to pay sellers' proceeds, and to pay the mortgage and maintenance costs for the properties.

The Manner and Means of the Conspiracy

The manner and means by which the defendants sought to accomplish the purpose and object of the conspiracy included, among others things, the following:

8. **RICHARD WELDON CROWDER, II**, identified residential properties, including luxury condominiums in the South Beach area of Miami Beach, that were available for purchase and recruited buyers to participate in the purchase of the properties by falsely representing that he could help them obtain 100% financing for the properties. In truth, **CROWDER** obtained the financing through fraudulent applications for equity lines of credit and first mortgage loans.

9. After locating the buyers, **RICHARD WELDON CROWDER, II**, prepared and caused to be prepared materially false and fraudulent applications for equity lines of credit which were submitted to Wachovia. To induce Wachovia to issue the equity lines of credit on the properties, **CROWDER** and **GARY MARK MILLS** prepared and caused to be prepared false and fraudulent HUD-1 settlement statement forms representing that the buyers already owned the

properties when, in truth, the buyers had not yet purchased the properties. The false and fraudulent HUD-1 settlement statement forms also significantly understated the amount of the supposed first mortgage in order to induce Wachovia to issue a larger equity line of credit than it normally would. These false and fraudulent applications and HUD-1 settlement statement forms were then submitted to **KAREN LYNN SULLIVAN** at Wachovia for her to facilitate the issuance of equity lines of credit on the properties.

10. Simultaneously or within a short time of obtaining the equity lines of credit from Wachovia, **RICHARD WELDON CROWDER, II**, prepared and caused to be submitted to the First Mortgage Lending Institutions materially false and fraudulent mortgage loan applications, IRS forms and other documents certifying that the buyers of the properties had sufficient assets and income to purchase the properties. Included in the fraudulent packages submitted to the lenders were false verification of deposit forms prepared by **KAREN LYNN SULLIVAN**. **GARY MARK MILLS** further prepared and caused to be submitted to the First Mortgage Lending Institutions documents falsely representing that the buyers were bringing their own down payment funds and closing costs to the transaction closings. In truth, the buyers had insufficient assets and income to purchase the properties, and were using funds obtained from **CROWDER** or from the equity lines of credit fraudulently obtained from Wachovia to make the down payments.

11. In addition to overstating the buyers' assets and cash at closing, **RICHARD WELDON CROWDER, II**, and **GARY MARK MILLS** created and caused to be submitted to the First Mortgage Lending Institutions false HUD-1 settlement statement forms that substantially overstated the value and purchase price for the properties. Moreover, at no point did **CROWDER, MILLS**, and **KAREN LYNN SULLIVAN** notify the First Mortgage Lending Institutions of the

second mortgages on the properties.

12. Based on the false documents prepared and caused to be submitted to Wachovia and the First Mortgage Lending Institutions by **RICHARD WELDON CROWDER, II, GARY MARK MILLS** and **KAREN LYNN SULLIVAN**, the buyers of the properties secured equity lines of credit and first mortgage loans in amounts that were substantially greater than the actual value and purchase prices for the properties. In total, the defendants caused the fraudulent purchase of approximately seventeen (17) different luxury condominiums involving over \$42,000,000 in fraudulently obtained mortgage loans.

13. **RICHARD WELDON CROWDER, II, GARY MARK MILLS, and KAREN LYNN SULLIVAN** used the money fraudulently procured through the first mortgage loans and the equity lines of credit to pay themselves various fees and bonuses, to pay sellers' proceeds, and to pay the mortgage and maintenance costs for the properties.

14. To induce Wachovia and the First Mortgage Lending Institutions to fund the requested loans, the defendants provided mortgage loan applications, verification of deposit forms, IRS forms, HUD-1 settlement statement forms, and other documents to the lenders containing numerous material false statements, and concealments and omissions of material facts, and the defendants made and caused others to make numerous materially false statements to the lenders, and the defendants concealed and omitted to state, and caused others to conceal and omit to state material facts to lenders, including among others the following:

Material False Statements

a. That the buyers already owned the properties on which they were seeking equity lines of credit from Wachovia when, in truth, the buyers did not own the properties;

b. That the first mortgages were lower, thereby inducing Wachovia to loan more than the actual equity in the properties; and

c. That the buyers had sufficient assets and income to obtain first mortgages on the properties and were bringing their own money for the down payment and closing costs when, in truth, the buyers had insufficient assets and income to qualify for these mortgages and were using funds provided by **RICHARD WELDON CROWDER, II**, or from the equity lines of credit fraudulently obtained from Wachovia for the down payments and closing costs;

Concealment and Omission of Material Facts


d. That the buyers did not own the properties on which they were seeking the equity lines of credit;

e. That the buyers were using funds from the equity lines of credit fraudulently obtained from Wachovia for the down payments and to purchase the properties;

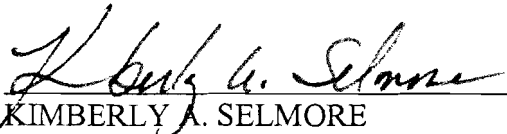
f. That the buyers were actually purchasing the properties for substantially less than the purchase price reported in their HUD-1 settlement statement forms submitted with the first mortgage and equity line of credit applications; and

g. That the mortgage loan money received in excess of the money required to purchase the properties was being used to pay bonuses and fees to the defendants, sellers' proceeds, and the mortgage and maintenance costs for the properties.

All in violation of Title 18, United States Code, Section 1349.



R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY



KIMBERLY A. SELMORE
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