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CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
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12 IN THE UNITED STATES DISTRICT COURT
13 FOR THE EASTERN DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,) Case No. 1:10 CR 00001AWI
13)
14 Plaintiff,) VIOLATIONS: 18 U.S.C. §§ 1343
15 v.) and 2 - Wire Fraud and Aiding
16) and Abetting (Four Counts)
17 KEVIN PATRICK SLUGA,)
18)
19 Defendant.)

20 INFORMATION
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2 COUNT ONE: [18 U.S.C. §§ 1343 and 2 - Wire Fraud and Aiding
and Abetting]

3 The United States Attorney charges:

4 KEVIN PATRICK SLUGA,
5 defendant herein, as follows:

6 I. INTRODUCTION

7 1. At all times relevant to this Information,
8 Defendant KEVIN PATRICK SLUGA was a resident of Bakersfield,
9 California, located in the State and Eastern District of
10 California.

11 2. At all times relevant to this Information, Crisp Cole
12 Associates, also known as Crisp & Cole Real Estate ("CCRE"), was
13 a real estate brokerage firm, and Tower Lending was an affiliated
14 mortgage brokerage.

15 3. At all times relevant to this Information, defendant
16 KEVIN PATRICK SLUGA was a Certified Public Accountant (CPA) and a
17 co-owner of the business that was initially called California
18 Business Solutions and later known as Comprehensive Business
19 Solutions ("CBS") that provided tax-related services to the
20 general public, including but not limited to tax planning and
21 preparation, business advice, and payroll services.

22 4. In his capacity as a CPA with CBS, defendant provided
23 corporate tax and accounting services to CCRE. Defendant also
24 prepared tax returns for the owners and certain employees of
25 CCRE. Defendant also prepared tax returns for his daughters.

26 II. THE SCHEME TO DEFRAUD

27 5. Beginning at a time unknown, but not later than in or
28 about January 2005, and continuing to in or about January 2007,

1 within the State and Eastern District of California and
2 elsewhere, the defendant, along with others known and unknown,
3 devised and executed a scheme and artifice to defraud mortgage
4 loan companies and federally insured lending/financial
5 institutions (collectively referred to herein as "Lenders") of
6 money and property, and did obtain money and property from such
7 Lenders, by means of materially false and fraudulent pretenses,
8 representations, and promises, and aided and abetted such
9 actions.

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11 III. MANNER AND MEANS OF SCHEME TO DEFRAUD

12 6. During the above-described period, the defendant, with
13 the assistance of others, executed the scheme and artifice to
14 defraud Lenders by the following manner and means:

- 15 a. The defendant prepared verification of employment
16 letters ("CPA letters") that contained false
17 information to assist the owners of CCRE and others
18 with the scheme to obtain mortgage loans from Lenders
19 for purchases of real property through the use of straw
20 buyers and other illegal means. The false CPA letters
21 were submitted to Lenders in support of applications
22 for mortgage loans to be used to finance purchases of
23 real properties.
- 24 b. The CPA letters included material misstatements
25 regarding the borrowers' employment status,
26 occupation, and/or experience as a landlord, among
27 other material misstatements and/or omissions.
28 For example, the defendant would at times state

1
2 that the borrower was employed at CBS in a
3 specific capacity for a certain period of time,
4 when in truth and in fact, the borrower had either
5 never worked at CBS and/or had not been employed
6 in such a capacity at CBS.

7 c. Based on his experience as a CPA, the defendant knew
8 and expected that the false and fraudulent CPA letters
9 would be submitted to the Lenders in response to the
10 Lenders' request for such verification, and that the
11 Lenders would reasonably rely on such misstatements and
12 omissions in approving the funding of the mortgage
13 loans for the purchases of real property. The Lenders
14 then distributed the mortgage loan funds to escrow
15 companies or other companies, often across state lines.

16 d. The defendant prepared the false CPA letters, or caused
17 them to be prepared at his direction, including without
18 limitation the false statement regarding the borrowers'
19 employment status, occupation and status as a landlord,
20 mainly at the direction and request of one of the
21 owners of CCRE, and also at the direction of the loan
22 officers at Tower Lending. Additionally, defendant
23 gave false answers to, or caused false answers to be
24 given to, Lenders when Lenders called to verify the
25 information in the CPA letters.

26 7. The defendant's conduct in preparing the false CPA
27 letters enabled the purchase of properties with a total purchase
28 value at the time of more than \$12.6 million.

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2 8. The defendant and others at CCRE and Tower Lending knew
3 that the misstatements and/or omissions that the defendant and
4 others caused to be submitted to the Lenders in connection with
5 mortgage loan applications were materially false and fraudulent.
6 The mortgage loans funded on the basis of such applications were
7 knowingly obtained through materially false and fraudulent
8 statements.

9 9. As a result of the conduct of the defendant and others,
10 the defendant defrauded Lenders of approximately \$3,979,625.

11 IV. WIRE COMMUNICATIONS

12 10. On or about the dates listed below, within the State
13 and Eastern District of California and elsewhere, in furtherance
14 of the scheme and artifice to defraud, and to obtain monies
15 through false and fraudulent pretenses, and to aid and abet the
16 same, as more fully set forth in paragraphs 1 through 9 above,
17 the defendant caused, and aided and abetted in causing, the
18 following signs and signals to be transmitted by means of wire
19 and radio communications in interstate commerce:

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<u>Count</u>	<u>Approx. Date Transmitted</u>	<u>Description</u>
1	May 2, 2006	Wire transfer of \$638,621.40 from SunTrust Mortgage, in Georgia, to Chicago Title Company in Bakersfield, CA
2	May 2, 2006	Wire transfer of \$122,398.54 from SunTrust Mortgage, in Georgia, to Chicago Title Company in Bakersfield, CA
3	September 20, 2006	Wire transfer of \$995,637.07 from SunTrust Mortgage, in Georgia, to Fidelity National Title Company in Bakersfield, CA
4	September 20, 2006	Wire transfer of \$293,844.23 from SunTrust Mortgage, in Georgia, to Fidelity National Title Company in Bakersfield, CA

All in violation of Title 18, United States Code,
Sections 1343 and 2.

Dated: January 6, 2010

Respectfully submitted,
BENJAMIN B. WAGNER
United States Attorney

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