

been able to obtain.

5. JONES was aware that to approve of and make disbursements on a loan, Omni required borrowers to have good credit, proof of income and assets, and other indicia of intent and ability on the part of the borrower to make payments on the loan.

6. JONES further knew that by supplying the names and credit information of straw buyers, rather than his own name and credit information, he could thereby circumvent the bank's traditional lending standards and obtain access to bank funds which would not otherwise be disbursed to him.

7. Various straw buyers allowed JONES to use their name and credit based upon JONES's promises of quick cash payments in the amount of a few thousand dollars. JONES further assured these straw buyers that offering up their name and credit was a "win-win" situation for them by making such representations as:

- (a) The straw buyer would not have to "own" any property, and instead, would merely have a line of credit with Omni;
- (b) The straw buyer would not have to pay any earnest money or down payments, as JONES would ensure that such payments were made to Omni;
- (c) The straw buyer would not have to make any interest or mortgage payments, as JONES would ensure that such payments were made to Omni;
- (d) JONES and UHK would locate, renovate, rent, and sell all properties purchased with Omni loan funds, and divide the "dividends" with the straw buyer.

8. In fact, however, the individuals who became straw buyers for JONES *did* become owners of properties and were obligated to

make interest and mortgage payments to Omni on the properties under penalty of foreclosure and damaged credit. Moreover, JONES did not renovate and maintain all of the properties purchased with Omni money, provide renters for all properties, or even pay the straw buyers all promised amounts.

9. By making the promises and representations in paragraph 7, above, JONES caused multiple straw buyers to supply their financial information for use by JONES and UHK. JONES then assembled and submitted the financial information to a coconspirator at Omni under the false pretense that the straw buyer (not JONES and UHK) would be purchasing properties out of foreclosure, paying earnest money and down payments, and making interest and mortgage payments on the loans.

10. Because the loans JONES obtained from Omni were intentionally structured by JONES and others to appear as unrelated borrowers with good credit, rather than one large commercial loan by JONES and UHK, Omni was deceived as to, among other things, the true recipient of the Omni funds (JONES through UHK), the straw buyers' true financial stake in the properties which were offered as security for the loans, and the straw borrowers' intent to make interest and mortgage payments on the Omni loans. Based upon the foregoing, Omni approved loans and made disbursements for the benefit of the straw buyers which would not otherwise have been disbursed.

11. After the loans were approved by Omni, JONES and a coconspirator closing attorney utilized a "double closing" process to enrich JONES. As part of this process, JONES took the Omni loan proceeds which were disbursed for the benefit of the straw buyers to purchase foreclosed property, and used it to buy properties in the name of UHK, or another entity controlled by JONES. JONES then, with the assistance of the closing attorney, sold the properties to the straw buyers for a higher price. JONES and the closing attorney conducted the above by creating, executing, and causing to be executed, false HUD-1 settlement statements for each transaction.

12. After purchasing properties with Omni funds, and reselling them to the straw buyers at a higher price, JONES then failed to make payments on the Omni loans as promised to the straw buyers. In many instances, the straw buyers only learned that Jones was not making the promised payments when they received letters and calls from Omni collection agents. The straw borrowers further discovered that JONES had not, in many instances, renovated the properties and instead, had allowed the properties to fall into a state of disrepair. Some properties had been vandalized or were occupied by vagrants at the time of the discovery.

13. As a result of JONES's foregoing actions and representations, the straw buyers were obligated to make payments on multiple loans which they could not afford, and homes which were

either uninhabitable or required substantial repairs. As such, many of the loans remained in default, or were foreclosed, causing substantial losses to Omni. In some instances, in an effort to avoid further damage to their credit and losses to Omni, investors attempted to make payments on the Omni loans and to rehabilitate the properties at their own expense.

COUNT ONE

***Conspiracy to Commit Bank Fraud and to
Make False Statements to Influence a Bank on a Loan
18 U.S.C. § 371***

The Conspiracy

14. Introductory paragraphs 1 through 14 are realleged and incorporated herein as though fully set forth in this Count.

15. Beginning at a time unknown, but no later than September of 2002, and continuing until in or about July of 2004, within the Eastern District of North Carolina, the defendant, ERIC OMAR JONES, did knowingly combine, conspire, confederate, and agree with others known to the grand jury, to commit offenses against the United States, to wit:

- (a) to knowingly execute and attempt to execute a scheme and artifice to defraud Omni National Bank, a financial institution, and to obtain any moneys, funds, or other property owned by, or under the custody or control of, Omni National Bank, by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344; and
- (b) to knowingly make false statements for the purpose of influencing the action of Omni National Bank, an institution whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC), in violation of

Title 18, United States Code, Section 1014.

Purpose of the Conspiracy

16. It was the purpose of the conspiracy for JONES and others to benefit by (1) obtaining funds from Omni through the use of straw buyers, as set forth herein, and by (2) submitting false documents to Omni in connection with straw borrower loans.

Overt Acts

17. In furtherance of the conspiracy, and to effect the objects thereof, JONES made at least one of the representations and promises in paragraph 7 to a straw buyer.

18. In furtherance of the conspiracy, and to effect the objects thereof, at least one member of the conspiracy created or signed a false HUD-1 settlement statement which was submitted to Omni in connection with at least one straw buyer loan.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH SIXTEEN
Bank Fraud & Aiding and Abetting
18 U.S.C. §§ 1344 and 2

THE SCHEME

19. Beginning at a time unknown, but no later than September of 2002, and continuing until in or about July of 2004, within the Eastern District of North Carolina, the defendant, ERIC OMAR JONES, devised a scheme and artifice:

a. To defraud Omni National Bank, a financial institution whose accounts were insured by the Federal Deposit Insurance

Corporation.

b. To obtain moneys owned by or under the control of Omni by means of materially false and fraudulent pretenses and representations.

MANNER AND MEANS

20. Introductory paragraphs 1 through 14, are realleged and incorporated herein as though fully set forth in this Count.

EXECUTION OF THE SCHEME

21. On or about the dates set forth below, each date constituting a separate count of this Superseding Indictment, in the Eastern District of North Carolina and elsewhere, the Defendant, ERIC OMAR JONES, aiding and abetting others, executed the scheme and artifice set forth above, in that the defendant caused Omni to make loans and to discharge loan proceeds for the benefit of himself and UHK, by means of materially false pretenses, to wit, the use of straw buyers and false HUD-1 settlement statements:

COUNT	STRAW BUYER	LOAN AMOUNT	DATE
2	JRA	\$33,000	3/12/03
3	JRA	\$29,152	3/13/03
4	JRA	\$40,500	4/14/03
5	JRA	\$24,000	4/30/03
6	JP	\$65,000	5/2/03
7	JP	\$34,000	5/14/03
8	JRA	\$22,800	6/3/03

9	JRA	\$66,000	7/24/03
10	JP	\$58,000	7/29/03
11	JMR	\$45,500	8/29/03
12	JP	\$22,500	10/27/03
13	JMR	\$47,750	11/17/03
14	JP	\$67,200	1/12/04
15	JL	\$47,600	2/4/04
16	JL	\$54,000	3/2/04

Each entry constituting a separate violation of Title 18, United States Code, Section 1344 and 2.

COUNTS SEVENTEEN AND EIGHTEEN
False Statements to Influence Bank Loans &
Aiding and Abetting
18 U.S.C. §§ 1014 and 2

22. Introductory paragraphs 1 through 14 are realleged and incorporated herein as though fully set forth in this Count.

23. On or about the dates set forth below, each entry constituting a separate count of this Superseding Indictment, in the Eastern District of North Carolina and elsewhere, the Defendant, ERIC OMAR JONES, knowingly made and caused to be made a false statement for the purpose of influencing Omni National Bank, an institution whose deposits were insured by the Federal Deposit Insurance Corporation, in connection with a loan, in that the defendant executed and caused others to execute a false HUD-1 settlement statement reflecting that a straw buyer had paid the down payment or earnest money listed below, when in truth and in

fact, as the defendant well knew, the straw buyer did not pay anything toward the transaction.

COUNT	STRAW BUYER	LOAN AMOUNT	DATE	STATED EARNEST MONEY	STATED CASH FROM BUYER AT CLOSING
17	JMR	\$47,750	11/17/03	\$500	\$11,257.50
18	JL	\$54,000	3/2/04	\$9,035.75	\$0

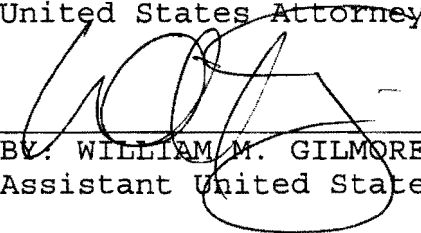
Each entry constituting a separate violation of Title 18, United States Code, Section 1014 and 2.

A TRUE BILL

FÖREPERSON

DATE: 2/2/2011

GEORGE E. B. HOLDING
United States Attorney



BY: WILLIAM M. GILMORE
Assistant United States Attorney