



## Charlotte Division

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### Clinton Fraudster Receives Federal Sentence

#### U.S. Attorney's Office

January 11, 2012

#### Eastern District of North Carolina

(919) 856-4530

RALEIGH—United States Attorney Thomas G. Walker announced that in federal court today, Chief United States District Judge James C. Dever III, sentenced ERIC OMAR JONES, 41, of Clinton, North Carolina, to 151 months' imprisonment followed by five years' supervised release. Additionally, the court imposed restitution of \$142,145.85.

A federal grand jury returned a superseding criminal indictment on February 2, 2011. On April 21, 2011, a jury convicted JONES of all counts of the indictment, which included one count of conspiring to commit bank fraud and to make false statement to influence a bank on a loan, 15 counts of bank fraud, and two counts of making false statements to influence bank loans.

In determining JONES' sentencing guidelines range, the court found that he had received more than \$1 million in gross receipts from financial institutions as a result of the offense. It found that the defendant was the leader of a criminal activity that involved five or more participants or was otherwise extensive. It found that the defendant abused a position of private trust through his interactions with unsophisticated investors. It also found that he obstructed justice through perjurious testimony at his trial.

At trial the government's evidence showed that between 2002 and 2004, JONES participated in a scheme to defraud Omni National Bank and other banks. JONES used the credit of straw purchasers to obtain loans from Omni National bank in the name of those individuals. He then used that loan money to purchase properties through his company, University of Hard Knocks Investments, Inc., and then immediately resell them to the straw purchasers, whom he referred to as investors. Six straw purchasers testified at trial. David Pikul, the closing attorney who handled these transactions, also testified at trial. On April 11, 2011, Pikul pled guilty to conspiring with JONES to commit bank fraud and to make false statements to an FDIC insured bank. JONES enticed the straw purchasers to participate by promising them that he would make mortgage payments on the properties, take care of repairs, and sell the properties at a profit. These promises were untrue and fraudulent.

Further evidence showed that to obtain loans from Omni and other banks, JONES made numerous false statements on the HUD settlement forms that were submitted to the banks. These forms hid the fact that the bank's money was being used by JONES' company to purchase the property. They also often falsely stated that a down payment was being made, when, in fact, there was none. Sometimes the HUD forms falsely stated the seller of the property. As part of this scheme, on at least four occasions, JONES sold the same property to the same straw purchaser a second time for a higher price. In addition, JONES was living in one of the properties he had sold to one of the straw purchasers. He was doing this without her knowledge and without paying any rent or mortgage. This straw purchaser ultimately had to evict him.

JONES, testifying at trial, admitted he had 10 years of experience in the mortgage and real estate industry at the time of the crime. He also admitted receiving and signing many of the false HUDs—knowing they were false. He claimed that the closing attorney, David Pikul, had come up with this idea and had told him that it was a correct way of doing things. He admitted receiving a lot of money through University of Hard Knocks Investments and using that money, considered by him to be his business "profits," to take several gambling trips to Las Vegas, Atlantic City, South Carolina, and New Orleans.

The Federal Bureau of Investigation and the North Carolina State Bureau of Investigation participated in this investigation. David A. Bragdon and William M. Gilmore represented the United States.

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