

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	No.
)	
FLOYD IRONS and)	
JOHN MINEO, JR.,)	
)	
Defendants.)	

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

COUNT 1
FLOYD IRONS

WIRE FRAUD

A. Introduction

At all times relevant to the Information:

1. Defendant, **FLOYD IRONS** (hereinafter referred to as "**IRONS**"), resided at 7439 Augusta in St. Louis County, Missouri, and was employed by the St. Louis Public Schools.

2. Defendant, **JOHN MINEO, JR.** (hereinafter referred to as "**MINEO**"), resided at 16343 Valley Oak Estate Court in St. Louis County, Missouri, and was employed as a mortgage broker at Midwest Mortgage Consultants, L.L.C. (hereinafter referred to as "Midwest Mortgage"), which was located initially at 1332 Baur Boulevard, and later at 10929 Page Avenue, both in St. Louis County, Missouri. Midwest Mortgage is a mortgage brokerage firm, owned and operated by Peter Esson and Matthew McClure..

3. John Doe resided in St. Louis County, Missouri, and operated a development company, and also operated the not for profit organization Best of the Midwest Youth Foundation.

4. Altonio Irons was the son of **IRONS**. Altonio Irons was a full time student and resident at College of the Ozarks in Point Lookout, near Branson, Missouri.

5. St. Louis Land and Title Company was a title company having offices initially at 1330 Baur Boulevard, and later at 10929 Page Avenue, both in St. Louis County, Missouri. St. Louis Land and Title Company was owned and operated by Peter Esson and Matthew McClure.

6. First Midwest Realty, L.L.C. (hereinafter referred to as "First Midwest Realty") was a real estate company having offices at 10929 Page Avenue, in St. Louis County, Missouri. First Midwest Realty was owned and operated by Peter Esson and Matthew McClure.

7. Accredited Home Lenders, Inc. (hereinafter referred to as "Accredited") was a loan originating company having offices at 15090 Avenue of Science, San Diego, California.

8. FMF Capital, L.L.C. (hereinafter referred to as "FMF Capital") was a loan originating company having offices at 55 Corporate Woods, Suite 270, Overland Park, Kansas.

9. New Century Mortgage Corporation (hereinafter referred to as "New Century") was a loan originating company having offices at 18400 Von Karman Avenue, Suite 1000, Irvine, California.

10. CIT Group, Inc. (hereinafter referred to as "CIT") was a loan originating company having offices at 1 CIT Drive, Livingston, New Jersey, along with a local office at 1807 Park 270 Drive, Suite 350, St. Louis, Missouri.

B. Scheme to Defraud

11. From in or about November, 2005, and continuing through May, 2006, both dates being approximate and inclusive, within the Eastern District of Missouri and elsewhere, defendant,

FLOYD IRONS,

along with John Doe and others known and unknown to the United States Attorney, devised, intended to devise, and knowingly participated in a scheme to defraud and to obtain money from FMF Capital by means of materially false and fraudulent pretenses, representations, and promises.

12. On or about June 10, 2005, John Doe purchased a residence at 1205 Missouri Avenue, St. Louis, Missouri, for \$135,000. John Doe took out a first mortgage to finance this purchase.

13. On or about October 3, 2005, John Doe borrowed an additional \$15,000 secured and collateralized by a second mortgage on the residence at 1205 Missouri Avenue, St. Louis, Missouri.

14. As a part of the scheme, defendant **IRONS** and John Doe agreed to have Altonio Irons act as a straw purchaser of the 1205 Missouri Avenue residence during November, 2005, for a purchase price of \$167,000. Altonio Irons was not going to live in the residence, and it was understood that **IRONS** and John Doe would make the payments on the loans obtained to finance the purchase of the residence in the name of Altonio Irons.

15. As a part of the scheme, defendant **IRONS** and John Doe caused to be completed a false and fraudulent loan application in Altonio Irons' name in order to obtain financing for the

purchase of the 1205 Missouri Avenue residence. This loan application falsely stated, among other things, that: 1. Altonio Irons was going to live at the 1205 Missouri Avenue residence as his permanent residence; 2. Altonio Irons had been renting for the three (3) prior years at 7439 Augusta; 3. Altonio Irons was employed at Best of the Midwest Youth Foundation, earning approximately \$4,727.04 net income per month; and, 4. Altonio Irons had approximately \$5,260.00 in a bank account. At John Doe's and **IRONS'** direction, Altonio Irons signed this false and fraudulent loan application.

16. As a further part of the scheme, defendant **IRONS** and John Doe caused to be submitted numerous false documents in support of this false and fraudulent loan application, including: 1. A Verification of Rent form purportedly signed by John Doe which falsely represented that Altonio Irons had paid rent to John Doe's company for 7439 Augusta since August 1, 2002 to the time of the loan application in the amount of \$795 per month; 2. W-2 tax forms for the years 2003 and 2004 which falsely represented that Altonio Irons had earned \$54,752 and \$58,697, respectively, from Best of the Midwest Foundation during those years; and, 3. 2005 payroll records from Best of the Midwest Foundation which falsely represented that Altonio Irons earned \$5,200 gross income per month.

17. As a further part of the scheme, **IRONS** and John Doe caused the false loan application and the false supporting documents to be submitted to FMF Capital which, in reliance upon the false loan application and the false supporting documents, issued a first mortgage loan to Altonio Irons in the amount of \$133,600, and a second mortgage loan to Altonio Irons in the amount of \$33,400, for the purchase of the 1205 Missouri Avenue residence from John Doe on or about November 17, 2005. As a result of this transaction, John Doe's first

and second mortgages on 1205 Missouri Avenue were paid off, and John Doe received an additional \$5,084.00.

18. As a further part of the scheme, John Doe made the initial monthly payments to FMF Capital for Altonio Irons' first and second mortgages on the 1205 Missouri residence. No payments were made following June, 2006, and the property was ultimately foreclosed on for non-payment.

C. The Wire Transaction

19. On or about November 18, 2005, in the Eastern District of Missouri and elsewhere, the defendant,

FLOYD IRONS,

along with John Doe and others, for the purpose of executing and attempting to execute the above-described scheme to defraud, and to obtain money from FMF Capital by means of materially false and fraudulent pretenses, representations, and promises, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, signals, pictures, or sounds, namely a funds transfer from Cave Springs Title Company's account at Regions Bank, St. Louis, Missouri, in the amount of \$141,111.39, to AMC Mortgage Services, J.P. Morgan Chase Bank of Houston, Texas, account number 00103279601, funding

the payoff of John Doe's existing mortgage on the property located at 1205 Missouri Avenue, St. Louis, Missouri.

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

COUNT 2
FLOYD IRONS
JOHN MINEO, JR.

MAIL FRAUD

A. Introduction

20. The United States Attorney fully incorporates by reference, as if fully set forth herein, those matters set forth in Count 1, Section A, paragraphs 1 through 10.

B. Scheme to Defraud

21. From in or about November, 2005, and continuing through in or about August, 2006, both dates being approximate and inclusive, within the Eastern District of Missouri and elsewhere, defendants,

FLOYD IRONS, and
JOHN MINEO, JR.,

along with John Doe and others known and unknown to the United States Attorney, devised, intended to devise, and knowingly participated in a scheme to defraud and to obtain money from Accredited, New Century, and CIT by means of materially false and fraudulent pretenses, representations, and promises.

22. During in or about late 2005, defendant **IRONS** and John Doe met with defendant **MINEO**. During this meeting, John Doe and **IRONS** told **MINEO** of their scheme to purchase

residential real estate for investment purposes. John Doe and **IRONS** told **MINEO** that they would obtain mortgage loans for these residential purchases through **MINEO** at Midwest Mortgage. John Doe and **IRONS** also told **MINEO** that for each residential purchase brokered through **MINEO** at Midwest Mortgage, John Doe and **IRONS** wanted at least 10% or more of the home sales price “kicked back” to John Doe and **IRONS**. Additionally, John Doe and **IRONS** told **MINEO** that **IRONS** would be identified as the sole purchaser of these residential properties, but that John Doe and **IRONS** were in business together, and that the mortgage loans would actually be paid by John Doe.

The Michigan Avenue Property

23. During in or about December, 2005, **MINEO** was contacted by an individual who advised that G.S. was interested in selling her residential real estate at 3138-40 Michigan Avenue in St. Louis, Missouri. G.S. had purchased the four family property during May, 2005 for \$125,000. As part of the scheme, **MINEO** contacted John Doe, who agreed that he and **IRONS** would purchase the Michigan Avenue property for \$190,000, with \$20,000 being “kicked back” to them from the purchase price.

24. As a further part of the scheme, John Doe and **IRONS** caused a false and fraudulent loan application in **IRONS**' name to be submitted to Midwest Mortgage through **MINEO** in order to obtain a mortgage loan to purchase the Michigan Avenue property. This loan application falsely stated, among other things, that: 1. **IRONS** had \$25,000 in a U.S. Bank account; 2. **IRONS** had \$115,000 in a 401(k) retirement account; 3. **IRONS** had \$27,250 in a UMB brokerage account; and, 4. **IRONS** had a net worth of \$151,250.

25. As a further part of the scheme, and in support of this loan application, a two year residential lease agreement which falsely represented that an individual was leasing **IRONS'** residence at 7439 Augusta beginning January 23, 2006 for \$1,750.00 per month was submitted.

26. As a further part of the scheme, **IRONS**, John Doe, and **MINEO** caused the false loan application and the false residential lease document to be submitted through Midwest Mortgage to CIT, which, in reliance upon the false loan application and the false residential lease document, issued a mortgage loan to **IRONS** in the amount of \$180,500, for the purchase of the Michigan Avenue property from G.S. on or about January 27, 2006. The sale was closed at St. Louis Land and Title Company.

27. As a further part of the scheme, John Doe, with the knowledge of **IRONS**, **MINEO**, and others, received a "kick back" of \$20,000 from G.S.'s sale proceeds paid to John Doe's company, and **MINEO** received \$3,891.56 in broker fees.

28. As a further part of the scheme, John Doe made the initial monthly payment to CIT for **IRONS'** mortgage on the Michigan Avenue property. No payments were made by John Doe following March, 2006. On May 9, 2006, John Doe and **IRONS** listed the Michigan Avenue property for sale through First Midwest Realty for \$219,000. The property did not sell, and ultimately the property was foreclosed on for non-payment.

The Woodland Meadows Property

29. During this same period of time, in or about December, 2005, **MINEO** was contacted by an individual who advised that F.H. was interested in selling his residential real estate at 18433 Woodland Meadows Drive in Glencoe, Missouri. F.H. had purchased this single family property in the name of his company during September, 2004 for \$260,000. As part of the

scheme, **MINEO** contacted John Doe, who agreed that he and **IRONS** would purchase the Woodland Meadows Drive property for \$450,000, with \$40,000 being “kicked back” to them from the purchase price.

30. As a further part of the scheme, John Doe and **IRONS** caused a false and fraudulent loan application in **IRONS**' name to be submitted to Midwest Mortgage through **MINEO** in order to obtain a first and second mortgage loan to purchase the Woodland Meadows property. This loan application falsely stated, among other things, that: 1. **IRONS** earned \$11,300 per month in gross income from the St. Louis Public Schools; and, 2. **IRONS** intended to live at the Woodland Meadows property as his primary residence.

31. As a further part of the scheme, this false and fraudulent loan application failed to identify **IRONS**' ownership of the Michigan Avenue property, and the outstanding mortgage loan on that property from CIT.

32. As a further part of the scheme, and in support of this loan application, a two year residential lease agreement which falsely represented that an individual was leasing **IRONS**' residence at 7439 Augusta beginning January 23, 2006 for \$1,750.00 per month was submitted.

33. As a further part of the scheme, **IRONS**, John Doe, and **MINEO** caused the false loan application and the false residential lease document to be submitted through Midwest Mortgage to Accredited, which, in reliance upon the false loan application and the false residential lease document, issued first and second mortgage loans to **IRONS** in the amounts of \$360,000 and \$90,000, respectively, for the purchase of the Woodland Meadows property from

F.H.'s company on or about January 30, 2006. The sale closed at St. Louis Land and Title Company.

34. As a further part of the scheme, John Doe, with the knowledge of **IRONS**, **MINEO**, and others, received a "kick back" of \$40,000 from F.H.'s sale proceeds paid to John Doe's company, and **MINEO** received \$8,850.00 in broker fees. Additionally, **MINEO** received \$23,000, paid to an entity he operated known as JMJ Enterprises, from F.H.'s sale proceeds.

35. As a further part of the scheme, John Doe made the initial monthly payments to Accredited for **IRONS'** mortgages on the Woodland Meadows property. No payments were made by John Doe following April, 2006. On February 1, 2006, John Doe and **IRONS** listed the Woodland Meadows property for sale through John Doe's brother for \$499,000. On May 8, 2006, John Doe and **IRONS** listed the property for sale through First Midwest Realty for \$499,000. On August 21, 2006, in order to avoid foreclosure, **MINEO** provided \$4,000 cash to **IRONS**, who wired that amount to the lender. No further payments were made, the property did not sell, and ultimately the property was foreclosed on for non-payment.

The Arundel Property

36. During this same period of time, in or about December, 2005, **MINEO** was contacted by T.K. who was interested in selling his residential real estate at 11 Arundel in St. Louis, Missouri. T.K. had purchased this single family property during September, 1998 for \$260,000. As part of the scheme, **MINEO** contacted John Doe who agreed that he and **IRONS** would purchase the Arundel property for \$830,000, with \$60,000 being "kicked back" to them from the purchase price.

37. As a further part of the scheme, John Doe and **IRONS** caused a false and fraudulent loan application in **IRONS**' name to be submitted to Midwest Mortgage through **MINEO** in order to obtain a first and second mortgage loan to purchase the Arundel property. This loan application falsely stated, among other things, that: 1. **IRONS** earned \$18,000 per month in gross income from the St. Louis Public Schools; and, 2. **IRONS** intended to live at the Arundel property as his primary residence.

38. As a further part of the scheme, this false and fraudulent loan application failed to identify **IRONS**' ownership of the Michigan Avenue property, the outstanding mortgage loan on that property from CIT, as well as **IRONS**' ownership of the Woodland Meadows' property, and the outstanding mortgage loans on that property from Accredited..

39. As a further part of the scheme, and in support of this loan application, a two year residential lease agreement which falsely represented that an individual was leasing **IRONS**' residence at 7439 Augusta beginning January 23, 2006 for \$1,750.00 per month was submitted.

40. As a further part of the scheme, **IRONS**, John Doe, and **MINEO** caused the false loan application and the false residential lease document to be submitted through Midwest Mortgage to New Century, which, in reliance upon the false loan application and the false residential lease document, issued first and second mortgage loans to **IRONS** in the amounts of \$664,000 and \$166,000, respectively, for the purchase of the Arundel property from T.K. on or about January 31, 2006.

41. As a further part of the scheme, John Doe, with the knowledge of **IRONS**, **MINEO**, and others, received a "kick back" of \$60,000 from T.K.'s sale proceeds paid to John Doe's company, and **MINEO** received \$5,720.00 in broker fees.

42. As a further part of the scheme, John Doe made the initial monthly payments to New Century for **IRONS'** mortgages on the Arundel property. No payments were made by John Doe following April, 2006. On April 29, 2006, John Doe and **IRONS** listed the Arundel property for sale through First Midwest Realty for \$895,000. The property did not sell, and ultimately the property was foreclosed on for non-payment.

C. The Mailing

43. On or about January 27, 2006, in the Eastern District of Missouri and elsewhere, the defendants,

**FLOYD IRONS, and
JOHN MINEO, JR.,**

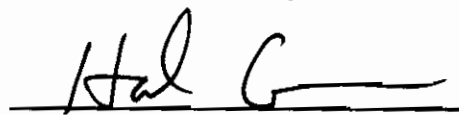
along with John Doe and others, for the purpose of executing and attempting to execute the above-described scheme to defraud, and to obtain money from Accredited, New Century, and CIT by means of materially false and fraudulent pretenses, representations, and promises, did knowingly cause to be delivered by Federal Express, a private and commercial interstate carrier, according to the directions thereon, mortgage loan documents for the purchase of 11 Arundel Place, St. Louis, Missouri from New Century Mortgage, 9420 Underwood Avenue, Omaha,

Nebraska 68114 to **IRONS** at 7439 Augusta Avenue, St. Louis, Missouri 63121, tracking number 854521129543

All in violation of Title 18, United States Code, Section 1341 and 2.

Respectfully submitted,

CATHERINE L. HANAWAY
United States Attorney

A handwritten signature in black ink, appearing to read "Hal G", is written over a horizontal line.

HAL GOLDSMITH
Assistant United States Attorney
111 South 10th Street, Room 20.333
St. Louis, Missouri 63102
(314) 539-2200

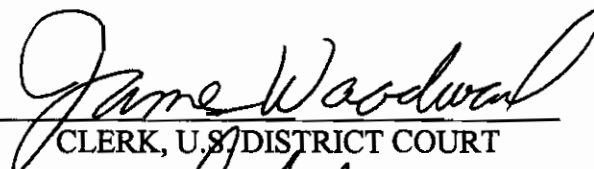
UNITED STATES OF AMERICA)
EASTERN DIVISION)
EASTERN DISTRICT OF MISSOURI)

I, Hal Goldsmith, Assistant United States Attorney for the Eastern District of Missouri,
being duly sworn, do say that the foregoing information is true as I verily believe.



HAL GOLDSMITH

Subscribed and sworn to before me this 18th day of September 2007.



CLERK, U.S. DISTRICT COURT

By: 

DEPUTY CLERK