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U.S. DISTRICT COURT
WESTERN DISTRICT OF NC

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

UNITED STATES OF AMERICA)	DOCKET NO.
)	
)	BILL OF INFORMATION
)	
v.)	Violations:
)	
)	18 U.S.C. § 371
DEMETRIUS G. RAINER)	18 U.S.C. § 1341
_____)	18 U.S.C. § 1956(h)

THE UNITED STATES ATTORNEY CHARGES:

At the specified times and at all relevant times:

1. Defendant DEMETRIUS G. RAINER ("RAINER") was an attorney with an office in Charlotte, North Carolina, licensed to practice law in the State of North Carolina.
2. There were several mortgage fraud cells operating in and around Union and Mecklenburg Counties in North Carolina. The mortgage fraud cells primarily targeted, among others, the neighborhoods of Providence Downs South, Woodhall, Chatelaine, Skyecroft, Firethorne, Piper Glen, and Stratford on Providence. RAINER served as a closing attorney for Mortgage Fraud Cell No. 3.
3. The mortgage fraud cells generally operated in the following manner:
 - a. One member of the cell would agree with a seller to purchase a property at a set price (the "true price").
 - b. The mortgage fraud cell would then arrange for a buyer to purchase the property at an inflated price, substantially above the true price.
 - c. The seller would sell the property to the buyer at the inflated price.
 - d. The lender would make a mortgage loan on the basis of the inflated price;
 - e. The difference between the inflated price and the true price would be extracted at closing and distributed among members of the cell.

4. To induce lenders to make mortgage loans, some participants in the mortgage fraud cells caused loan packages to be prepared and submitted to lenders that contained false and fraudulent representations and half-truths, and omitted or concealed material facts. Indeed, some loan packages at various times during the course of the scheme:

- a. Failed to disclose the true, agreed-upon price;
- b. Misrepresented the buyers' income or assets;
- c. Misrepresented the buyers' place of employment;
- d. Misrepresented the buyers' intent to occupy the home as their primary residence;
- e. Misrepresented the true source of the down payment supposedly being provided by the buyer; and
- f. Contained false or forged documents.

5. The HUD-1 Settlement Statements associated with such loan packages and real estate closings also contained false and fraudulent representations, half-truths, and omitted or concealed material facts. Indeed, some HUD-1 Settlement Statements at various times during the course of the scheme:

- a. Failed to disclose the true agreed upon price;
- b. Falsely stated that the buyer had provided a down-payment when the buyer had not provided a down-payment or would be reimbursed for same;
- c. Failed to accurately disclose the true disposition of the mortgage loan proceeds;
- d. Fraudulently listed payments to entities controlled by members of the mortgage fraud cell as though such payments were to lien-holders, or to entities that had financed the building of or had assisted the builder in building the house; and
- e. Failed to disclose that the buyer would directly or indirectly receive a portion of the mortgage loan proceeds.

6. RAINER and other attorneys received into their trust accounts the proceeds of the fraud and distributed such proceeds to members of the mortgage fraud cells, who then typically engaged in further financial transactions with their profits from each fraud to further their schemes and to finance future fraudulent transactions.

COUNT ONE
18 U.S.C. § 371
(Cell No. 3: Mortgage Fraud Conspiracy)

7. The United States Attorney realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 6 of the Bill of Information, and further alleges that:

8. From in or about 2007 through in or about January 2008, in Union and Mecklenburg Counties, within the Western District of North Carolina, and elsewhere, the defendant,

DEMETRIUS G. RAINER

did knowingly combine, conspire, confederate, and agree with members of Mortgage Fraud Cell No. 3 and others known and unknown to the United States Attorney, to commit offenses against the United States, including violations of Title 18, United States Code, Sections 1014 (making a false statement in relation to a loan), 1341 (mail fraud), 1343 (wire fraud), and 1344 (bank fraud).

Manner and Means

9. The defendant and other members of Mortgage Fraud Cell No. 3 carried out the conspiracy in the manner and means described in paragraphs 1 through 6 of this Bill of Information, among others.

Overt Acts

10. In furtherance of the conspiracy, and to accomplish the objects thereof, RAINER and her co-conspirators committed one or more overt acts in the Western District of North Carolina and elsewhere.

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

COUNT TWO
18 U.S.C. § 1956(h)
(Cell No. 3: Money Laundering Conspiracy)

11. The United States Attorney realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 6 of the Bill of Information, and further alleges that:

12. Beginning in or about 2007 and though in or about January 2008, in Union and Mecklenburg Counties, within the Western District of North Carolina, and elsewhere, the defendant,

DEMETRIUS G. RAINER

did knowingly combine, conspire, confederate, and agree with members Mortgage Fraud Cell No. 3 and others known and unknown to the United States Attorney, to engage in a monetary transactions by through or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity in violation of Title 18, United States Code, Section 1957.

All in violation of Title 18, United States Code, Section 1956(h).

COUNT THREE
18 U.S.C. § 1341
(Mail Fraud)

13. The United States Attorney realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 6 of the Bill of Information, and further alleges that:

14. On or about April 9, 2007, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendant

DEMETRIUS G. RAINER

aided and abetting by members of Mortgage Fraud Cell No. 3 and others known and unknown to the grand jury, for the purpose of executing the scheme and artifice described in paragraphs 1 through 6 above, did knowingly cause to be placed in an authorized mail depository the loan and closing documents for 9115 Woodhall Lake Drive, Waxhaw, North Carolina, to be sent or delivered by the United States Postal Service, or deposited or caused to be deposited the same to be sent or delivered by a private or commercial interstate carrier.

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

GRETCHEN C.F. SHAPPERT
UNITED STATES ATTORNEY


KURT W. MEYERS
ASSISTANT UNITED STATES ATTORNEY