

United States Department of Justice

**For Immediate Release**

May 20, 2010 **United States Attorney's Office**  
**Southern District of California**

## **Six Charged with Wire Fraud Based on \$20 Million Mortgage Fraud Scheme**

SAN DIEGO—A 10-count indictment has been unsealed charging six individuals with conspiracy to commit wire fraud and wire fraud, announced U.S. Attorney Karen P. Hewitt. The defendants are charged with submitting false and fraudulent mortgage loan applications and related documents to banks and other lending institutions, thereby inducing the institutions to make approximately 36 loans totaling approximately \$20,800,000.

The defendants charged with participating in the conspiracy are: Brian Andrew La Porte; Daniel John Schuetz; Michael Wayne Wickware; Roxanne Yvette Hempstead; Darryl Anthony Wallace, aka Darryl Anthony White; and Terrence Smith, aka Terry Lee Smith. The indictment alleges that the defendants devised a scheme to defraud mortgage lenders and to obtain money and property by false and fraudulent means and diverted the proceeds for their personal use and benefit.

According to the indictment, from May 2008, the defendants agreed to submit false loan applications to mortgage lenders to obtain financing to purchase residential properties. The defendants recruited “straw buyers” who had sound credit histories but who otherwise would not have qualified to purchase the residential properties selected by the defendants. The indictment further alleges that, as part of the conspiracy, Brian Andrew La Porte and Daniel John Schuetz prepared fraudulent loan applications on behalf of the straw purchasers, falsely stating the employment and monthly salaries of the straw purchasers.

The indictment further alleges that the defendants submitted fraudulent loan applications on behalf of the straw purchasers to mortgage lenders, including OwnIt Mortgage Solutions Inc., WMC Mortgage Corp., Argent Mortgage Company, Countrywide Home Loans, First Franklin, Finance America LLC, and other mortgage lenders. The defendants then caused escrow agents to disburse the funds to the defendants and others so that the defendants could divert to themselves and others the proceeds of the fraud.

President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who working together to launch a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial

markets, and recover proceeds for victims of financial crimes. The Special Inspector General for the Troubled Asset Relief Program co-chairs the task force's Rescue Fraud Working Group.

The case is the product of an investigation by agents of the FBI and is being prosecuted in San Diego federal court by Assistant U.S. Attorney Jonathan I. Shapiro.

An indictment itself is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the government meets its burden in court of proving guilt beyond a reasonable doubt.

Additional Information:

Case Number: 10cr1863LAB

Brian Andrew La Porte Age: 34 San Diego, California

Daniel John Schuetz Age: 37 San Diego, California

Michael Wayne Wickware Age: 54 Temecula, California

Roxanne Yvette Hempstead Age: 53 Chula Vista, California

Darryl Anthony Wallace Age: 47 San Diego, California

Terrence Smith Age: 45 San Diego, California

Summary of Charges:

Count 1:

Title 18, United States Code, Section 1349 - Conspiracy to Commit Wire Fraud  
Maximum Penalties: 20 years in custody, \$250,000 fine

Counts 2-10:

Title 18, United States Code, Section 1343 - Wire Fraud  
Maximum Penalties: 20 years in custody, \$250,000 fine

The defendants are next scheduled to be in court on June 28, 2010 at 2:00 p.m. before United States District Court Judge Larry A. Burns.