



U. S. Department of Justice
United States Attorney's Office
Southern District of Mississippi

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FORMER MORTGAGE BROKER PLEADS GUILTY IN
\$1.6 MILLION MORTGAGE FRAUD SCHEME

Jackson, Miss - Acting United States Attorney Stan Harris and IRS Criminal Investigation Special Agent in Charge Michael J. DePalma announced that Warren Clifton Pierce, a former mortgage broker operating as Integrity Mortgage, Inc. entered a guilty plea on Monday, June 1, 2009, in the U.S. District Court for the Southern District of Mississippi, to the crime of Conspiracy to Commit Mail Fraud and Wire Fraud for his role in a scheme to fraudulently obtain mortgage loans totaling approximately \$1.6 Million from various out of state lenders. During his guilty plea, Pierce admitted his participation in fabricating documents and giving false information to lenders to fraudulently obtain residential mortgage loans for borrowers who did not qualify financially to receive the loans.

Warren Clifton Pierce worked in the mortgage business in the metro-Jackson area for a number of years. During the time frame charged in the Indictment, Pierce did business as Raintree County Marketing Company, and as Integrity Mortgage as a mortgage broker. As a mortgage broker, Pierce sought out prospective borrowers and tried to qualify them financially to receive a home mortgage. Pierce would obtain basic financial and employment information from the borrower for a loan application. Pierce and his co-conspirators would then include false information on the application form to induce the lender to make the loan. Pierce and his co-conspirators also prepared false documents to submit to lenders to support the false information contained on the loan application. These fabricated documents included false Verifications of Deposit, false Verifications of Rent, false forms to verify income, false W-2 forms, false tax returns, false money orders and false Social Security letters.

All of these fraudulent documents were either mailed or wired to lenders outside the state of Mississippi. The fraudulent loan application information and the fraudulent supporting documents caused the lender to believe the borrower had the ability to repay the mortgage loan and also created the appearance of a mortgage marketable as a security on the secondary market. Consequently, the false information and fabricated documents were significant in scheme to induce the lender to approve and fund the mortgage loan. Pierce received broker fees and commissions from those fraudulently obtained mortgage loan proceeds, which he shared with his

co-conspirators.

Pierce was indicted in July 2008 as a result of a joint investigation lasting almost 3 years conducted by the Internal Revenue Service Criminal Investigations division and the Federal Bureau of Investigation, assisted by other participating agencies in the Jackson Financial Crimes Task Force, which includes the United States Postal Inspection Service, Federal Deposit Insurance Corporation-Office of Inspector General, Housing and Urban Development-Office of Inspector General, Mississippi Secretary of State's Office, Mississippi Real Estate Commission and Appraisal Board, Mississippi Department of Banking and Consumer Finance, Hinds County Sheriff's Office, Madison Police Department and the Madison-Rankin District Attorney's Office.

Michael J. De Palma, Special Agent in Charge of Internal Revenue Service Criminal Investigation stated: "It is the goal of IRS Criminal Investigation to work with the Department of Justice to ensure that those engaged in illegal activities are brought to justice. Special Agents of IRS CI are highly skilled investigators who will work tirelessly with other federal and state agencies to stop those who scheme and conspire to benefit themselves to the detriment of other citizens and their government. These types of crimes create a significant loss of tax revenue, drive buyers into foreclosure, leave lenders burdened with bad loans, and neighborhoods with abandoned properties. IRS CI is committed to pursuing individuals involved in such schemes."

Pierce is scheduled to be sentenced on August 25, 2009, at 9:00 a.m. at the federal courthouse in Natchez, MS. He faces a maximum sentence of 5 years in prison, a fine of up to \$250,000.00 and forfeiture in the amount of \$1.6 million.

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