

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	
)	CRIMINAL NO. 1:11cr162
SEAN W. RAGLAND)	
)	
Defendant.)	

CRIMINAL INFORMATION

THE UNITED STATES CHARGES THAT:

Count 1
(Conspiracy to Commit Bank Fraud and Wire Fraud)

1. From in or about 2006 through in or about August 2009, in the Eastern District of Virginia and elsewhere, the defendant

SEAN RAGLAND

did knowingly and intentionally combine, conspire, confederate, and agree with others known and unknown to commit certain offenses against the United States, namely:

- a. bank fraud, that is, to knowingly and intentionally execute a scheme and artifice to defraud a financial institution, and to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, § 1344; and

b. wire fraud, that is, having intentionally devised and intending to devise a scheme and artifice to defraud a financial institution, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, to knowingly transmit and cause to be transmitted, by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, § 1343.

2. Among the manner and means by which defendant RAGLAND and others would and did carry out the conspiracy included, but were not limited to, the following:

a. RAGLAND tracked and would report to co-conspirators the size of the collateral deficit in Ocala Funding.

b. RAGLAND and TBW co-conspirators would cover up the shortfalls in collateral held by Ocala Funding to back commercial paper by sending investors and other third parties documents containing material misrepresentations.

c. RAGLAND and TBW co-conspirators would cause TBW to temporarily transfer collateral into Ocala Funding so that it could meet certain collateral tests.

d. Co-conspirators at TBW misappropriated funds from Ocala Funding bank accounts.

e. TBW co-conspirators caused mortgage loans held by Ocala Funding to be sold to both Colonial Bank and Freddie Mac.

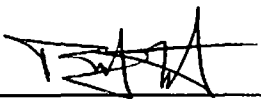
3. In furtherance of the conspiracy and to effect the objects thereof, RAGLAND and other co-conspirators committed or caused others to commit the following overt act, among others, in the Eastern District of Virginia and elsewhere:

a. On or about May 15, 2008, RAGLAND sent by email from TBW in Ocala Florida, to a co-conspirator in the Eastern District of Virginia, and to investors and other third parties, an Ocala Funding Facility report that inflated the assets reportedly held in Ocala Funding by approximately \$680 million.

(All in violation of Title 18, United States Code, § 371.)

DENIS J. MCINERNEY
Chief, Fraud Section
Criminal Division
United States Department of Justice

By:



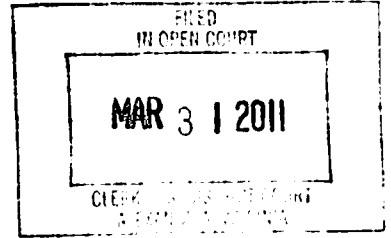
Patrick F. Stokes
Deputy Chief
Robert A. Zink
Trial Attorney

NEIL H. MACBRIDE
United States Attorney

By:



Charles F. Connolly
Paul J. Nathanson
Assistant United States Attorneys



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STATEMENT OF FACTS

The United States and the defendant, SEAN RAGLAND, agree that had this matter proceeded to trial the United States would have proven the facts set forth in this Statement of Facts beyond a reasonable doubt. Unless otherwise stated, the time periods for the facts set forth herein are at all times relevant to the charges in the Information.

I. Overview

1. Defendant began working at Taylor, Bean & Whitaker Mortgage Corp. (TBW) in Ocala, Florida in 2002. In 2004, defendant joined the Accounting Department, and shortly thereafter was promoted to Senior Financial Analyst and reported to the Chief Financial Officer. In or about 2005, the defendant was assigned responsibilities for reporting and tracking issues related to the Ocala Funding, LLC facility (Ocala Funding).

2. From in or about 2006 through in or about August 2009, co-conspirators, including the defendant, engaged in a scheme to defraud financial institutions that had invested in Ocala Funding. One of the goals of the scheme to defraud was to mislead investors and auditors as to the financial health of Ocala Funding. This aspect of the fraud scheme allowed TBW to misappropriate over \$1 billion in collateral from Ocala Funding. By participating in the

fraud scheme described below, the defendant knowingly and intentionally placed financial institution investors in Ocala Funding at significant risk of incurring losses as a result of the scheme.

II. Ocala Funding

3. In or about January 2005, TBW established a wholly-owned special purpose entity called Ocala Funding. Ocala Funding was a bankruptcy remote facility designed to provide TBW additional funding for mortgage loans. The facility obtained funds for mortgage lending from the sale of asset-backed commercial paper to financial institutions, including Deutsche Bank and BNP Paribas.

4. Ocala Funding was managed by TBW and had no employees of its own. The defendant was one of the TBW employees responsible for preparing monthly reports relating to the assets and outstanding liabilities in Ocala Funding in connection with the issuance and rolling of commercial paper and for coordinating wire transfers related to Ocala Funding. When preparing the reports, the defendant knew and understood that Ocala Funding's assets, including mortgage loans and cash, had to be greater than or equal to its liabilities, including outstanding commercial paper held by the financial institutions and a relatively small amount of subordinated debt.

5. Shortly after Ocala Funding was established, the defendant learned that there was a shortage of assets in Ocala Funding and the defendant began tracking this "hole" on his own initiative. The hole grew significantly over time and by June 2008, the hole had grown to over \$700 million. The defendant kept the CEO and CFO informed as to the size of the hole.

6. To cover up the hole at the direction of other co-conspirators, the defendant prepared documents that inaccurately and intentionally inflated figures representing the

aggregate value of the loans held in the Ocala Funding facility or under-reported the amount of outstanding commercial paper. The defendant sent this false information to the financial institution investors, including Deutsche Bank and BNP Paribas, and to other third parties. By doing so, the defendant and co-conspirators misled investors into believing that there was sufficient cash and mortgage loan collateral to back the outstanding commercial paper owned by the investors.

7. At the direction of a co-conspirator, the defendant also sent the false reports to an outside audit firm that reviewed financial reports related to the Ocala Funding facility.

8. The defendant also learned that co-conspirators were transferring hundreds of millions of dollars from Ocala Funding bank accounts, located at LaSalle Bank, to TBW accounts, including the TBW operating account. These transfers contributed to the hole in Ocala Funding.

9. As the government would prove at a trial, at the time that Ocala Funding ceased operations, there was a hole of approximately \$1.5 billion.

10. The defendant did not personally receive any funds TBW misappropriated from Ocala Funding.

III. Conclusion

11. The defendant admits that this statement of facts does not represent and is not intended to represent an exhaustive factual recitation of all the facts about which he has knowledge relating to the scheme to defraud as described herein.

12. The defendant admits that his actions, as recounted herein, were in all respects intentional and deliberate, reflecting an intention to do something the law forbids, and were not in any way the product of any accident or mistake of law or fact.

Denis J. McInerney
Chief, Criminal Division, Fraud Section
United States Department of Justice

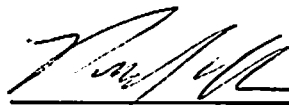
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Paul J. Nathanson
Assistant United States Attorneys

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, SEAN RAGLAND, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate to the best of my knowledge, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.


Date: March 24, 2011



Sean Ragland
Defendant

I am SEAN RAGLAND's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

Date: March 31, 2011



Fred Sinclair, Esq.
Fritz Scheller, Esq.
Counsel for the Defendant