



# Department of Justice

United States Attorney Melinda Haag  
Northern District of California

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**EIGHT INDICTED IN MULTI-MILLION DOLLAR MORTGAGE FRAUD, MONEY LAUNDERING  
SCHEME**

***Defendants Include Leaders and Members of Hells Angels Motorcycle Club, A San Francisco  
CPA-Tax Preparer, and A Loan Officer***

SAN FRANCISCO - A 25-count indictment that charges eight individuals with conspiracy to commit financial institution fraud and wire fraud was unsealed today, U.S. Attorney Melinda Haag announced. The alleged crimes took place between 2006 and 2007 in the greater San Francisco Bay Area. The indictment alleges that Jacob Moynihan, Gerald Moynihan, John Greco, Raymond Foakes, Desiree Maclean, Josh Leo Johnson, Jerry Mays and Justin Batemon also committed money laundering, conspiracy to maintain drug-involved premises and possession with intent to distribute a controlled substance.

According to the indictment, some of the defendants hold leadership positions in, and are members of the Hells Angels Motorcycle Club. One of the primary defendants in the case, Jacob Moynihan, was a loan officer in San Francisco. Jacob Moynihan owned Xanadu Global Investment, LLC and, during the relevant timeframe, worked at Universal Mortgage and Sales Inc., Onyx Capital Property and Investment Inc., and Accelerated Funding and Realty Inc.

The indictment alleges that the defendants conspired with one another and others to procure a series of fraudulent mortgage loans and refinancing loans for pieces of real property

in and around the Bay Area, including San Francisco; Sonoma, Calif.; Petaluma, Calif.; Healdsburg, Calif.; and Santa Rosa, Calif. The scheme initially involved recruiting straw buyers to obtain mortgage loans in exchange for money. It was accomplished by generating falsified bank statements, fictitious employment history and false income information for client-borrowers. In many cases, bank statements were physically altered to reflect inflated balances and deposit activity. These falsified documents were then submitted to mortgage lenders to obtain mortgage loans, some in excess of \$1 million, on terms that the lenders would otherwise not have funded. The properties underlying those loans were subsequently foreclosed upon.

The total amount of fraudulent loans was in excess of \$10 million.

Jacob Moynihan, 30, of San Francisco, Gerald Moynihan, 51, of Santa Rosa, Greco, 38, of Rohnert Park, Calif., Foakes, 48, of Rohnert Park, Maclean, 25, of Rohnert Park, Johnson, 35, of Santa Rosa, and Batemon, 34, of Hayward, Calif., were arrested during the week of Sept. 19, 2011. They each made their initial appearances in federal court in San Francisco on Sept. 22, 2011, and are scheduled to appear for a status conference before United States District Court Judge William Alsup on Nov. 8, 2011, at 2 pm. Mays, 63, of San Pablo, Calif., remains at large.

The maximum statutory penalty for each count of conspiracy to commit financial institution fraud and wire fraud in violation of 18 U.S.C. Section 1349, and for each substantive count of financial institution fraud in violation of 18 U.S.C. Section 1344 is 30 years in prison and a fine of \$1 million or twice the loss. The maximum statutory penalty for each count of wire fraud in violation of 18 U.S.C. Section 1343 is 20 years in prison and a fine of \$250,000 or twice the loss. The maximum statutory penalty for each count of money laundering in violation of 18 U.S.C. Section 1957 is 10 years in prison and a fine of \$250,000 or twice the loss. The maximum statutory penalty for each count of conspiracy to maintain a drug-involve premise in violation of 21 U.S.C. Section 846 is 20 years in prison and a fine of \$500,000. The maximum statutory penalty for possession with intent to distribute 100 or more marijuana plants in violation of 21 U.S.C. Section 841 is 40 years in prison and a \$5 million fine; the mandatory minimum penalty is five years in prison. Restitution may be ordered as to any count. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Kathryn Haun is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Sutton Peirce. Special Assistant U.S. Attorney Arvon Pereet is assisting with the asset forfeiture aspects of the case. The prosecution is the result of a multi-year investigation by the Internal Revenue Service Criminal Investigations Division and the Federal Bureau of Investigation's Santa Rosa Resident Agency. The Mendocino County Sheriff's Office has assisted with portions of the narcotics aspects of the case.

*Please note, an indictment contains only allegations against an individual and, as with all defendants, those named herein must be presumed innocent unless and until proven guilty.*

**Further Information:**

Case #: 11 CR 624 WHA

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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