



Department of Justice

UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT OF MISSOURI

April 6, 2015
For Immediate Release

WENTZVILLE MAN SENTENCED ON FRAUD CONSPIRACY CHARGES

St. Louis, MO – John York was sentenced to 21 months in federal prison on charges of conspiracy to defraud the United States through his business, The Mortgage Store, Inc., in 2008.

According to court documents, York was a part owner of The Mortgage Store, Inc. (TMS) and the president of Title America. By 2008, TMS was a major mortgage brokering business with offices in four states and hundreds of employees. The main offices were in Westport Plaza and Wentzville. The businesses were operating at a financial deficit in 2008. TMS incurred over \$600,000 in federal employment (including withholding) tax liabilities in the first three quarters of 2008 that were not paid over to the United States. There were not sufficient funds available to fund the disbursements from TMS and, in addition, to meet all of the expenses incurred by TMS including the delinquent employment tax liabilities. York received substantial distributions from TMS in 2008 despite the federal employment tax delinquencies. In addition, he and others at TMS directed that TMS funds be paid on loans for properties at Tan Tar A Resorts in the Lake of the Ozarks, and for a ranch property in Breckenridge, Colorado. He was a partial owner of those properties.

In order to maintain its status as a loan correspondent for loans guaranteed by the Federal Housing Administration, TMS was required to maintain certain net worth balances that would be audited by a HUD authorized private firm and submitted to HUD by TMS. In June 2008, York and others at TMS falsified information concerning the net worth of TMS to the auditor for submission to HUD.

Additionally, in June and July 2008, TMS incurred liabilities for a 401k retirement plan in effect for its employees as well as liabilities for the health and dental insurance plans offered to its employees. The amounts withheld from the employees' pay checks were not paid over as required by law.

York, 54, formerly of Wentzville, MO, and now of Osage Beach, MO, pled guilty last November to one felony count of conspiracy, and appeared today for sentencing before United States District Judge Carol E. Jackson. The court also ordered York to pay \$497,000 in restitution.

This case was investigated by IRS Criminal Investigation, the Federal Bureau of Investigation, HUD Office of the Inspector General, the Department of Labor and the Department of Labor, Employee Benefits Security Administration. Assistant United States Attorney James E.

Crowe, Jr., handled the case for the U.S. Attorney's Office.

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