

# U.S. DOD BUDGET SPONSORSHIP

President of the United States of America  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Hon. Mr. President:

*click color links below for more information*

As certified owners of the U.S. Territory of the Commonwealth of Puerto Rico since the year 1750, with \$900+ trillion minimum accumulated international assets, currently out of our control, this is to ask an urgent meeting to discuss our interest to pay the national debt of America and Puerto Rico (\$35+ trillion) after receiving from Congress a minimum of \$300 trillion by tort, punitive and compensatory civil damages due to the violation of **48 USC 752** during 120+ consecutive years via promoting on our bicentennial lands the unlawful production and sale of millions of false and fraudulent mortgages in an interstate indictable money laundering operation under RICO Act by the three federal government branches, already notified before the USDOT and FBI since 1998.

Also, with the interest to improve our national economy, discussing increasing the minimum income of all American employees at \$100,000 per year, subsidizing the payroll of all the employers nationwide (as publicly disclosed at [clear-truth-social.com](http://clear-truth-social.com)).

After fixing criminal platforms, the approval of this proposal, via annual passages of appropriation bills, will allow us to actively participate in the boards' directorates of the national defense publicly traded companies executing ownership takeovers, GAAP management, auditing & sponsor budgets, all in compliance with the U.S. securities laws.

Waiting for your soon response,  
Respectfully, Alberto Medina  
IRS certified Multi Trillion Estate Administration

On behalf of,

**Estate of Basilio Lopez Martin**  
**info@eblm.us / [eblm.us](http://eblm.us)**

**U.S. DOD BUDGET PROPOSALS LINKS**

[OVERVIEW](#) [WEAPONS](#) [FINANCIALS](#) [GREEN BOOK](#) [PACIFIC](#) [EDIJ BOOK](#) [MITIGATION](#) [BUDGET](#)

Cc: Hon. Senators Mark Warner / Tim Kaine / Hon. Reps Gerald Connolly & Alexandria Ocasio-Cortez



Department of the Treasury  
Internal Revenue Service  
Washington, DC 20224

Date: 04/12/2024

69059CAA  
BASILIO LOPEZ MARTIN ESTATE  
MEDINA ALBERTO LOPEZ ADM  
% ALBERTO MEDINA LOPEZ  
PO BOX 6596  
WOODBIDGE VA 22195

Dear BASILIO LOPEZ MARTIN ESTATE :

We are providing you this letter to notify you that an Internal Revenue Service (IRS) contractor has been charged with the unauthorized inspection or disclosure of your tax return or return information, between 2018 and 2020.<sup>1</sup>

We have enclosed copies of Internal Revenue Code (IRC) Section 7431 and the criminal charge with this letter. IRC 7431(a) provides for civil claims for unauthorized disclosure of return information.

The Department of Justice is prosecuting this matter and has provided information about the Crime Victims' Rights Act and the status of this criminal case at [Justice.gov/criminal-vns/case/united-states-v-charles-littlejohn](https://www.justice.gov/criminal-vns/case/united-states-v-charles-littlejohn). If you have any questions about your rights under the Crime Victims' Rights Act, please email the Department of Justice at [CRM-PIN.Victims@usdoj.gov](mailto:CRM-PIN.Victims@usdoj.gov).

If you have questions about the law or any private right of action you may have, you should consult an attorney.

If you have questions for IRS about this matter, you can email us at [Notification.7431@irs.gov](mailto:Notification.7431@irs.gov), and we'll respond to you. Please do not email sensitive information (e.g., Employee Identification numbers, business addresses, bank routing and account numbers or other sensitive Business or Personally Identifiable Information).

Enclosures:  
IRC Section 7431  
Copy of criminal information, U.S. v. Littlejohn

1. See 26 USC Sec. 7431, as amended by the Taxpayer Browsing Protection Act of 1997.

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, )  
 )  
 vs. )  
 )  
 CHARLES EDWARD LITTLEJOHN, )  
 )  
 Defendant. )  
 \_\_\_\_\_ )

Case: 1:23-cr-00343  
Assigned To : Reyes, Ana C.  
Assign. Date : 9/29/2023  
Description: INFORMATION (A)

INFORMATION

The United States charges:

GENERAL ALLEGATIONS

1. From in or about 2017 until in or about 2021, Defendant **CHARLES EDWARD LITTLEJOHN** served as a contractor to Company A, a consulting firm that serviced public and private clients.

2. During the relevant period, Defendant primarily worked on contracts Company A had obtained with the U.S. Department of the Treasury's Internal Revenue Service ("IRS"). Pursuant to 26 U.S.C. § 6103(n), returns and return information were disclosed to Defendant for purposes of tax administration.

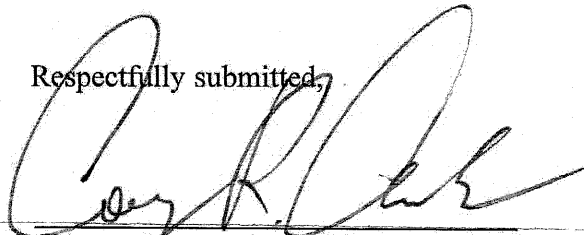
3. From in or about 2018 until in or about 2020, while Defendant was working on an IRS contract, he stole tax returns and return information associated with Public Official A and thousands of the nation's wealthiest people, including returns and return information dating back more than 15 years. He thereafter disclosed the tax information associated with Public Official A to News Organization 1 and the other tax information to News Organization 2. Both news organizations published numerous articles describing the tax information they obtained from the Defendant.

**TAX FORFEITURE ALLEGATION**  
**(28 U.S.C. § 2461(c); 26 U.S.C. § 7302)**

6. Paragraphs 1 through 5 of this Information are re-alleged and fully incorporated here by reference.

7. Pursuant to Title 28, United States Code, Section 2461(c) and Title 26, United States Code, Section 7302, the United States gives notice to Defendant **CHARLES EDWARD LITTLEJOHN**, that in the event of his conviction for the offense charged in this Information, all property he has used in violating the provisions of the internal revenue laws is subject to forfeiture.

Respectfully submitted,



COREY R. AMUNDSON  
Chief, Public Integrity Section  
Criminal Division  
U.S. Department of Justice

Lauren Castaldi  
Jonathan E. Jacobson  
Trial Attorneys  
Public Integrity Section  
United States Department of Justice  
1301 New York Ave. NW  
Washington, DC 20530  
Telephone: (202) 514-1412

Cheryl J. Scarboro  
 Reid A. Muoio (RM 2274)  
 Attorneys for Plaintiff  
 Securities and Exchange Commission  
 100 F Street, N.E.  
 Washington, D.C. 20549-6030  
 (tel) 202/551-4403 (Scarboro)

UNITED STATES DISTRICT COURT FOR THE  
 SOUTHERN DISTRICT OF NEW YORK

-----	x	
	)	
SECURITIES AND EXCHANGE COMMISSION,	)	
	)	
Plaintiff,	)	
v.	)	
	)	<b><u>COMPLAINT</u></b>
FIRST BANCORP,	)	
	)	07-CV-7039
Defendant.	)	(Crotty, J.)
	)	
-----	x	

Plaintiff Securities and Exchange Commission (the  
 "SEC") alleges as follows:

**NATURE OF THE ACTION**

1. The SEC brings this financial fraud action against First BanCorp, a NYSE-listed Puerto Rican bank holding company. Former senior management of First BanCorp concealed the true nature of over \$4 billion worth of mortgage-related transactions from its independent auditor and the investing public between 2000 and 2005. First BanCorp, which purportedly purchased the mortgages, profited from these transactions by earning over \$100 million in net interest income at little or no risk. The contra-party to the transactions, Doral Financial Corporation, which purportedly sold the mortgages to First

BanCorp, improperly recognized income on these transactions during the relevant period. Former First BanCorp senior management also created and backdated certain documents and affirmatively misrepresented the terms of certain mortgage-related transactions to its independent auditor to avoid a restatement in November 2004.

2. Since learning of the fraud, First BanCorp's board of directors brought in a new management team, restated the company's financials, unwound the underlying transactions and took other significant remedial action. The latter includes entering into consent orders with the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation, conducting an internal investigation and cooperating with law enforcement.

#### **JURISDICTION**

3. This Court has jurisdiction over this action pursuant to Sections 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(e) and 78aa]. First BanCorp has, directly or indirectly, made use of the means or instrumentalities of interstate commerce and/or of the mails in connection with the transactions described in this Complaint.

#### **DEFENDANT**

4. First BanCorp is the second largest financial holding company in Puerto Rico. First BanCorp provides

commercial banking services through a network of offices in Puerto Rico and the U.S. Virgin Islands. First BanCorp reported total assets of \$17.4 billion as of September 30, 2006. First BanCorp's common stock is registered with the SEC pursuant to Section 12(b) of the Exchange Act and is listed on the New York Stock Exchange. There were approximately 80 million shares outstanding as of June 30, 2005. The company's fiscal year ends December 31.

### **SUBSTANTIVE ALLEGATIONS**

5. Between November 1999 and March 2005, First BanCorp entered into over \$4 billion of mortgage-related transactions with Doral Financial, whereby First BanCorp purported to purchase mortgages from Doral Financial. Most of the mortgage loans were "non-conforming" residential mortgages. The balance was commercial mortgages. For most of the mortgages, the prices paid by First BanCorp were the principal amounts of the mortgage loans.

6. The written agreements for the mortgage-related transactions with Doral Financial included recourse provisions. The written recourse provisions provided that Doral Financial would either repurchase or substitute mortgages that became 120 days or more delinquent within the first 24-month period after the purchase, with a limit on the repurchase obligation related to commercial mortgage loans of no more than 10% of the principal amount.

7. Doral Financial retained the servicing on all of the mortgage loans at issue and agreed to remit to First BanCorp scheduled principal payments and, with respect to most of the transactions, interest calculated at a variable rate between 120 and 152 basis points over three-month LIBOS.

8. The mortgage-related transactions with Doral Financial generated enormous profits to First BanCorp in the form of net interest income at little or no risk. There was essentially no interest rate risk because First BanCorp financed the transactions at a variable rate of close to LIBOR. This meant that First BanCorp effectively locked in a spread of between 120-and-152 basis points.

9. There was little or no credit risk because senior management of Doral Financial agreed orally and in emails to extend the recourse provisions beyond the 24-month period included in the written agreements to recourse for the duration of the mortgage loans. Neither the existence nor the terms of the full recourse arrangement with Doral Financial were appropriately documented in First BanCorp and Doral Financial's accounting records.

10. Senior management of Doral Financial concealed the oral agreement for full recourse from its independent auditor, among others, so that it could improperly recognize gain on sale from the mortgage-related transactions with First BanCorp. Senior management of



First BanCorp, including the company's former Chief Executive Officer ("CEO"), and its former Chief Financial Officer ("CFO"), also concealed the oral agreement for full recourse from its independent auditor. The mortgage-related transactions were not true sales under generally accepted accounting principles because of the full recourse agreement. Doral Financial improperly recognized income on the mortgage-related transactions with First BanCorp.

11. First BanCorp had previously reflected the mortgage-related transactions with Doral Financial as purchases in bulk of mortgage loans. In December 2005, First BanCorp concluded that those transactions did not qualify as true sales for accounting purposes. The restated financial statements reflected the transactions as commercial loans secured by mortgages. The impact of the revised classification was to reduce real estate loans and to increase commercial loans secured by mortgages by the same amounts. There was no adjustment to net income related to the mortgage-related transactions.

12. First BanCorp has begun the process of effectively unwinding the mortgage-related transactions with Doral Financial. In May 2006, First BanCorp received a cash payment from Doral Financial of approximately \$2.4 billion, which substantially reduced the balance of approximately \$2.9 billion in reclassified secured commercial loans outstanding to Doral Financial. The cash

payments reduced the remaining balance of commercial loans to Doral Financial to approximately \$450 million. First BanCorp expects additional accelerated payments by Doral Financial, which will further reduce the outstanding balance.

13. During the second half of 2004, First BanCorp senior management was informed that the company needed to account for a derivative created by the uncapped variable interest rate feature associated with the mortgage-related transactions with Doral Financial and another Puerto Rican financial institution, R&G Financial Corp ("R&G"), and that doing so could require a restatement of First BanCorp's historical financial.

14. In an initial effort to avoid a restatement, First BanCorp's former CEO, former CFO and former Executive Vice President ("EVP") of Retail and Mortgage Banking created and backdated purported hedging documents intended to make it appear to the company's independent auditor that they were created at the inception of the mortgage-related transactions. First BanCorp senior management intended for this deception to avoid a restatement by satisfying certain requirements for hedge accounting under Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133").

15. Despite those efforts, First BanCorp's independent auditor did not agree that hedge accounting could be used to account for the uncapped variable interest rate features. In a further effort to avoid accounting for a derivative and restating the company's financials, First BanCorp senior management asserted falsely to the company's independent auditor that the parties to the mortgage-related transactions had agreed orally at the time of the original negotiation of the mortgage-related transactions that the variable interest rates provided for in the agreements were capped at the weighted average coupon ("WAC") of the related mortgage loans.

16. At the request of First BanCorp's independent auditor, this assertion was confirmed in writing with the counterparties. False and misleading written confirmations were executed by First BanCorp's former CEO, former CFO and former EVP and by executives of Doral Financial and R&G. Based on the foregoing and the receipt of a legal opinion issued by outside counsel that oral agreements were enforceable under Puerto Rico law, First BanCorp took the position that the variable interest rate feature did not create a derivative, and the company's independent auditor concurred, as a result of which there was no restatement.

**FIRST CLAIM FOR RELIEF**

**(Violations of Section 10(b) and  
Rule 10b-5 of the Exchange Act)**

17. Plaintiff SEC hereby incorporates ¶¶ 1 through 16 with the same force and effect as if set out here.

18. In the manner described in ¶¶ 1 through 17, Doral Financial, in connection with the purchase or sale of securities, by the use of means or instrumentalities of interstate commerce or of the mails, directly or indirectly (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts or omissions of material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon persons, in violation of Section 10(b) of the Exchange Act [15 U.S.C § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder, and First BanCorp aided and abetted those violations pursuant to Section 20(e) of the Exchange Act [15 U.S.C. §78t(e)].

**SECOND CLAIM FOR RELIEF**

**(Violations of the Reporting Provisions  
of the Exchange Act)**

19. Plaintiff SEC hereby incorporates ¶¶ 1 through 18 with the same force and effect as if set out here.

20. In the manner described in ¶¶ 1 through 19, Doral Financial violated Sections 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13

promulgated there under [17 C.F.R. §§ 240.12b-20, 240.13a-1], by filing reports with the SEC that inaccurately reflected the company's financial performance and provided other untrue and inaccurate information to the public, and First BanCorp aided and abetted those violations pursuant to Section 20(e) of the Exchange Act [15 U.S.C. §78t(e)].

**THIRD CLAIM FOR RELIEF**

**(Violations of the Books and Records and Internal Control Provisions of the Exchange Act)**

21. Plaintiff SEC hereby incorporates ¶¶ 1 through 20 with the same force and effect as if set out here.

22. In the manner described in ¶¶ 1 through 21, Doral Financial failed to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls in violation of Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)], and First BanCorp aided and abetted those violations pursuant to Section 20(e) of the Exchange Act [15 U.S.C. §78t(e)].

**PRAYER FOR RELIEF**

WHEREFORE, the SEC respectfully requests that this Court enter a judgment:

(i) permanently enjoining defendant First BanCorp, and its officers, agents, servants, employees, attorneys, and those in active concert or participation with it who

receive actual notice by personal service or otherwise, from violating and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A) and 78m(b)(2)(B)] and Rules 10b-5, 12b-20, 13a-1 and 13a-13 [17 C.F.R. §§ 240.10b-5, 240.12b-20, 240.13a-1 and 240.13a-13], promulgated thereunder;

(ii) ordering defendant First BanCorp to disgorge all ill-gotten gains from the conduct alleged herein, with prejudgment interest;

(iii) ordering defendant First BanCorp to pay civil money penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and

(iv) granting such other relief as this Court may deem just and appropriate.

Dated: August 7, 2007

—

---

Cheryl J. Scarboro  
Reid A. Muoio (RM 2274)  
Attorneys for Plaintiff  
Securities and Exchange  
Commission  
100 F Street, N.E.  
Washington, D.C. 20549-6030  
(tel) 202/551-4403 (Scarboro)