



THE UNITED STATES
DEPARTMENT *of* JUSTICE

United States Attorney Dena J. King

United States Attorney's Office
Western District of North Carolina

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Contact: Lia Bantavani
Public Affairs Officer
Lia.Bantavani@usdoj.gov

**ASHEVILLE MAN CONVICTED OF BANK FRAUD INVOLVING THE PURCHASE
OF SHORT-TERM RENTAL PROPERTIES AND ILLEGAL FIREARM POSSESSION
IS SENTENCED TO MORE THAN SEVEN YEARS IN PRISON**

ASHEVILLE, N.C. – Shawn Thomas Johnson, 38, of Asheville, was sentenced today to 92 months in prison followed by three years of supervised release for bank fraud and possession of a firearm by a felon, announced Dena J. King, U.S. Attorney for the Western District of North Carolina. In addition, U.S. District Judge Martin Reidinger imposed a \$2.77 million asset forfeiture judgement against Johnson.

According to information contained in filed court documents and court proceedings, from 2012 to 2019, Johnson executed a bank fraud scheme involving the purchase of short term rental properties in Buncombe County. Court records show that Johnson acquired the loans to purchase the properties by submitting applications that contained false and fraudulent information, including falsely claiming that the homes would be used as primary residences, providing false statements related to his income and employment, and omitting important information about pending lawsuits and the source of funds used as down-payments. Contrary to claims Johnson made on the loan applications, once he purchased the properties, Johnson used them as short-term rentals and listed them on online platforms such as Airbnb, Homeaway, and VRBO. Johnson rented the properties knowing that local laws, ordinances, and zoning regulations in Buncombe County prohibited the use of many of these homes as short-term rentals.

According to court documents, Johnson also recruited other individuals to obtain mortgage loans based on false and fraudulent information to purchase homes that Johnson would then list as short-term rentals and share the proceeds. During the course of the scheme, Johnson and his co-conspirators closed on at least 16 loans from financial institutions totaling over \$3.5 million to purchase real estate.

According to court records, in November 2021, Johnson traveled from Western North Carolina to Utah. While there, Johnson visited a gun club where Johnson rented a firearm and shot several boxes of ammunition he purchased from the club's store. Johnson has two prior convictions for manufacturing and uttering counterfeit United States currency and he is prohibited from possessing a firearm or ammunition. In order to rent the gun, court documents indicate that Johnson lied on the gun club's rental agreement, falsely certifying that he was not prohibited from possessing a firearm.

Johnson pleaded guilty to bank fraud and felon in possession of a firearm and ammunition charges. He will be ordered to report to the federal Bureau of Prisons to begin serving his sentence upon designation of a federal facility.

In making the announcement, U.S. Attorney King thanked the U.S. Department of Housing and Urban Development, Office of Inspector General, the Federal Housing Finance Agency, Office of Inspector General, and the U.S. Marshal's Service in the Western District of North Carolina for their investigation of the case.

Assistant U.S. Attorney Don Gast with the U.S. Attorney's Office in Asheville prosecuted the case.

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