



Department of Justice

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Eastern District of Texas

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MORTGAGE FRAUD SCHEMES UNRAVEL IN EASTERN TEXAS AS DEFENDANTS ARE FOUND GUILTY

PLANO, TX -- U.S. Attorney John M. Bales announced today that two people have pleaded guilty in connection with separate mortgage fraud schemes in the Eastern District of Texas.

REGINALD DAVIS, 41, of West Palm Beach, Florida, and formerly of Dallas, pleaded guilty to conspiracy to commit mail fraud and wire fraud today before U.S. Magistrate Judge Don D. Bush.

JEANELLE RICHARDSON, 37, of Plano, Texas, pleaded guilty on May, 20, 2009, to conspiring with an individual to commit mail fraud and wire fraud in connection with a similar mortgage fraud scheme.

According to information presented in court, Davis admitted he conspired with another individual, identified as a real estate investor, to make false statements in mortgage loan applications in order to obtain mortgage loans for Davis to purchase two residential properties in Collin and Dallas counties. Prosecutors allege that both Davis and the real estate investor benefitted from the proceeds of the two mortgage loans, valued at \$895,000.00, Davis was indicted by a federal grand jury on Apr. 6, 2009.

In a separate case, Richardson admitted to conspiring with a real estate investor to commit mail fraud and wire fraud in connection with a similar mortgage fraud scheme. Richardson admitted that she and the real estate investor conspired to make false statements in mortgage fraud applications in order for Richardson to purchase three residential properties in Dallas and Collin counties valued at over \$1.8 million. Both Richardson and the real estate investor benefited from the proceeds of the mortgages. Richardson was indicted by a federal grand jury on Apr. 6, 2009.

In both Davis' and Richardson's cases, prosecutors allege the false statements included such things as overstated employment income on the part of the borrowers and representations that the borrowers intended to occupy each home as their primary residence.

Richardson and Davis each face up to five years in federal prison at sentencing. Sentencing dates have not yet been set.

MICAIAH PRUITT, 42, of Dallas, Texas, was indicted in a separate case on June 11, 2009, and charged with conspiracy to commit mail fraud and wire fraud, mail fraud and wire fraud, and money laundering with his connection to the schemes involving Davis and Richardson.

Prosecutors allege in the indictment that Pruitt is actually the real estate investor whom conspired with Davis and Richardson in their unrelated mortgage fraud cases. Pruitt entered a NOT GUILTY plea on June 26, 2009, before Judge Bush and is currently set for a pre-trial conference on Aug. 3, 2009, before U.S. District Judge Richard A. Schell. If convicted, Pruitt faces up to 150 years in federal prison and a fine of up to \$2 million. It is important to note that a grand jury indictment is merely a charge, and not evidence of guilt.

These cases are being investigated by the Internal Revenue Service – Criminal Investigations Division, the U.S. Postal Inspection Service - Office of the Inspector General, Housing and Urban Development - Office of the Inspector General, and the U.S. Secret Service. The cases are all being prosecuted by Assistant U.S. Attorney Andrew Williams.

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