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## PRESS RELEASE

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**FOR IMMEDIATE RELEASE:**

October 1, 2008

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### LACKAWANNA COUNTY MAN PLEADS GUILTY TO MORTGAGE FRAUD

Martin C. Carlson, United States Attorney for the Middle District of Pennsylvania, announced that a former employee of a financial services firm admitted today in federal court to participating in a scheme to fraudulently inflate mortgages during 1999-2001.

Carlson stated that Guillermo Laureiro, age 37, pleaded guilty to mail fraud as an aider and abettor before U.S. District Court Judge Edwin M. Kosik. Laureiro was charged in an Information that was filed by the United States Attorney. The Information outlines a scheme whereby operators and employees of First Advantage Financial, which was based in Lake Ariel and later Hamlin, used false appraisals and false documents, including false W-2 forms and false employment records, to qualify customers for inflated mortgages and loans. Some of those customers subsequently defaulted on the mortgages and loans resulting in losses to banks and other financial institutions.

Laureiro admitted to supplying others connected to the scheme with false documents to use in creating false mortgage applications.

Laureiro is the third person connected to the scheme to plead guilty in federal court. Richard Woods and Benjamin Haughney previously pleaded guilty to mail fraud for their participation in the illegal scheme.

Carlson noted that today's guilty plea resulted from a lengthy, ongoing investigation by the Federal Bureau of Investigation.

Carlson stated that Laureiro faces a possible maximum sentence of 30 years in prison, a fine of up to

\$1 million, a term of supervised release of up to five years, and a \$100 special assessment. Carlson also noted that the sentencing guidelines will likely call for a significantly lesser sentence.

Carlson noted that Assistant United States Attorney Francis P. Sempa is prosecuting the case.

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[Back to Previous Page](#)