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**MARYLAND MORTGAGE FRAUD TASK FORCE ANNOUNCES
PROGRESS AND PLANS****Local, State and Federal Agencies Working Jointly
to Pursue Criminal, Civil and Administrative Penalties**

BALTIMORE, Maryland - Maryland Mortgage Fraud Task Force members highlighted their progress and plans in a press conference today, including the filing of criminal, civil, and regulatory actions against more than 250 individuals and companies in 2009.

U.S. Attorney Rod J. Rosenstein said, "The Mortgage Fraud Task Force, established in 2009, aims to punish past offenders and deter future violations. Local, state and federal regulatory and investigative agencies are working together to identify mortgage fraud schemes and pursue the various enforcement tools available to our partner agencies. More than 50 individuals and businesses have been charged with criminal mortgage fraud offenses in federal and state courts this year, and many of them have been convicted and sent to prison. Partner agencies also have filed civil and administrative actions to shut down unlawful schemes. With the additional resources now devoted to mortgage fraud, we expect even more cases to be prosecuted in 2010. Our priorities include pursuing mortgage brokers, lawyers, accountants, appraisers and other professionals who generate fraudulent loans as well as con artists who market fraudulent 'foreclosure rescue' and 'loan modification' services."

"The FBI is committed to collaboration with our Mortgage Fraud Task Force partners in order to detect, investigate, and prosecute criminals who perpetrate mortgage fraud in Maryland," said FBI Special Agent in Charge Richard A. McFeely.

"I am pleased that the Federal Deposit Insurance Corporation (FDIC) Office of Inspector General can play a role in helping to ensure the integrity of the financial services and housing industries. To this end, we have joined our law enforcement and Inspector General community colleagues to participate in the Maryland Mortgage Fraud Task Force," said Jon T. Rymer, Inspector General, Federal Deposit Insurance Corporation. "In doing so, we leverage the resources needed to successfully combat mortgage fraud and rid the industry of those seeking to undermine the soundness of financial institutions and stability of our nation's housing market. I congratulate the task force on today's announcement, which demonstrates the government's unflagging efforts to see that justice is served."

RECENTLY FILED CASES

State of Maryland v. David Young Park

On December 8, 2009, the Maryland Attorney General's Office charged David Young Park, age 43, the former President of Capital City Financial Group in Ellicott City, with theft in Baltimore County Circuit Court. In June of 2007, Park was allegedly working as a mortgage broker and assisted the victim with the refinance of her home. The victim intended to use the more than \$100,000 in equity to purchase a commercial condo for her business. Following settlement, Park allegedly obtained the victim's proceeds from the title company without the victim's knowledge, deposited them into his escrow account and spent the money on various personal and business expenses over the course of two weeks.

Felony theft is punishable in Maryland by a maximum sentence of 15 years incarceration and a \$25,000 fine. Originally referred by the Maryland Department of Labor, Licensing and Regulation - Division of Financial Regulation, the investigation was conducted by the Attorney General's Criminal Division and the Maryland State Police. A criminal charge is merely an accusation of wrongdoing and the defendant is presumed innocent unless the State proves his guilt beyond a reasonable doubt.

United States v. James Fox II and James Dan

After an investigation conducted by the U.S. Department of Housing and Urban Development - Office of Inspector General, the Federal Bureau of Investigation and the Maryland Department of Labor, Licensing and Regulation - Division of Financial Regulation, a federal indictment was returned on December 8, 2009 against two loan officers employed at a mortgage brokerage in Annapolis, Maryland. From April 2006 to February 2009, James William Fox II, age 39, of Crofton, Maryland, and James Hooper Dan age 45, of Annapolis, Maryland are alleged to have identified potential victims who were unable to make the mortgage loan payments on their homes. Instead of "rescuing" the victims from foreclosure as promised, the defendants allegedly obtained new mortgage loans in their own names or in the names of "straw purchasers" at even higher monthly mortgage payments than the victims had originally been paying, stripped the properties of equity, falsified information on loan applications and failed to make the mortgage payments on behalf of the victim sellers as promised. The properties were located in Waldorf, Capitol Heights, Baltimore, Silver Spring, Pasadena and Hagerstown, Maryland, as well as Glen Rock, Pennsylvania and Chesterfield, Virginia. As a result of the fraud scheme, Fox and Dan allegedly caused lenders to lose over \$1.7 million in fraudulently obtained mortgage loans and caused the individual victims to lose over \$650,000 in equity in their homes. The indictment seeks the forfeiture of the total loss of \$2,350,000.

Dan and Fox face a maximum sentence of 20 years in prison for conspiracy to commit wire fraud and 20 years in prison for wire fraud.

United States v. Daniel Fink, Jr.

A federal grand jury also indicted Daniel E. Fink Jr., age 43, of Baltimore, for wire fraud and money laundering. Fink owned and operated Homemaxx Title & Escrow LLC (Homemaxx), a title company that conducted residential real estate closings with offices in Middle River and Parkville, Maryland. From February 2003 to July 2004, Fink is alleged to have caused Homemaxx to fail to pay outstanding first mortgages on real estate transactions or to record deeds in the real estate records of local and state governments. Fink allegedly transferred substantial amounts of money from a Homemaxx escrow account into other Homemaxx accounts, as well as to accounts not associated with Homemaxx, and used the money intended to be disbursed pursuant to a HUD-1 for personal expenditures unrelated to real estate transactions. In connection with a particular real estate refinancing transaction by one of his customers, Fink diverted funds from the escrow account and then used the proceeds of his fraud scheme to purchase a new 2004 CLK Mercedes. As a result of this scheme, Fink is alleged to have defrauded lenders and homeowners of more than \$500,000. The indictment seeks the forfeiture of this amount.

Fink faces a maximum sentence of 20 years in prison and a \$250,000 fine for each of the three counts of wire fraud and 10 years in prison and a \$1 million fine for money laundering. Fink is a fugitive.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

Commissioner of Financial Regulation Acts Against Loan Originator with Equitable Trust Mortgage Corporation

Pursuant to an investigation by the Maryland Department of Labor, Licensing and Regulation, Division of Financial Regulation, on December 10, 2009, the Commissioner of Financial Regulation issued a summary order to cease and desist and a summary suspension of mortgage loan originator licenses against Nicholas Elko for allegedly engaging in an illegal foreclosure rescue scheme whereby Elko, a licensed loan originator with Baltimore-based Equitable Trust Mortgage Corporation (ETM), obtained the title to a Maryland residential property in foreclosure after promising the homeowner that he would convey title back to her after a period of time. Instead, Elko allegedly refinanced the property multiple times through ETM. Each time that the property was refinanced, Elko allegedly stripped more and more equity out of the home, ultimately conveying the property to his mother.

FHA Action Against Equitable Trust Mortgage Corporation

Following an investigation by the U.S. Department of Housing and Urban Development (HUD), the Federal Housing Administration (FHA) announced on December 7, 2009 that it was immediately suspending Equitable Trust Mortgage Corporation (ETM) of Baltimore, Maryland, thereby preventing ETM from originating and underwriting new FHA-insured mortgages. FHA is imposing this action because ETM improperly overcharged 37 borrowers for broker and loan origination fees in excess of what HUD currently allows.

HUD discovered that these unauthorized fees were charged to a substantially greater percentage of minority borrowers, 68%, than non-minorities. HUD also found that in 21 cases, ETM failed to properly disclose all loan origination fees, as well as lender fees to mortgage brokers on borrowers' good faith estimates. In addition, ETM's loans have a high default rate, well in excess of the national average.

"It is critical that FHA lenders apply our standards and do not overcharge borrowers," said FHA Commissioner David Stevens. "The fact that a disproportionate number of these borrowers were minority families is also troubling."

At the outset of the Task Force, the participating agencies agreed the goals of the Task Force would include: (1) streamlining the procedures for criminal mortgage fraud referrals; (2) developing and implementing a training program for state and federal investigators and prosecutors who handle mortgage fraud cases; (3) sharing useful information with and facilitating cooperation among the many agencies that have a stake in these cases; (4) tracking open investigations to ensure that partner agencies do not duplicate their efforts; (5) pursuing asset forfeiture and securing restitution for victims; and (6) communicating information to the public in order to warn people about common schemes and help prevent them from becoming victims of mortgage fraud and related financial crimes.

In addition to these recent cases announced today, the Maryland Mortgage Fraud Task Force has many noteworthy accomplishments over the last year, some of which are highlighted in the following attachment.

BALTIMORE CITY STATE'S ATTORNEY'S OFFICE

STATE v. GREGORY TODD ALTER

The Baltimore City State's Attorney's Office indicted Gregory Todd Alter, age 37, of Hagerstown, co-owner of All Star Settlement Company on charges of conspiracy to commit theft and issuing a counterfeit deed. On May 14, 2008, Alter conducted a settlement in which a home on Surrey Drive, Baltimore was sold for \$40,000. On June 14, 2008 another settlement took place at All Star where the same property was sold to an innocent third party for \$90,000. The true owner of the property was Mildred Sheehan, an 85 year old woman who lives in Massachusetts and had not been to Maryland in 35 years. She never signed any deed nor was she ever aware her property was being sold. Alter received \$7,000 from the first transaction and then forwarded a fraudulent deed to the buyer's lender for the 2nd transaction. He received an additional \$2,000 from the 2nd transaction. The scheme was discovered in September 2008, when Mildred Sheehan decided to sell the property and hired a realtor who placed a for sale sign on the property. The buyers who had purchased the property in June 2008 then realized that they had been defrauded. Alter pled guilty to both charges and was sentenced to five years suspended, three years probation.

PRINCE GEORGE'S COUNTY STATE'S ATTORNEY'S OFFICE

STATE v. NATHANIEL WRIGHT

STATE v. AARON BOWE

The Prince George's County State's Attorney's Office Mortgage Fraud Unit prosecuted Nathaniel Wright and Aaron Bowe, who promised victims that their company could save the victims' homes from going into foreclosure by participating in their rent back program. The defendants then used an unsuspecting straw buyer's credit information to obtain loans. As a result of the defendants' false promises, the victims transferred title to their homes and lost approximately \$80,000 per victim. Wright and Bowe were convicted of felony theft and violating Protection of Homeowner in Foreclosure Act Law and were ordered to pay restitution totaling \$220,000.

CONSUMER PROTECTION DIVISION, MD OFFICE OF THE ATTORNEY GENERAL

CONSUMER PROTECTION DIVISION v. RODNEY SPELLEN, ET AL.

The Office of the Maryland Attorney General, Consumer Protection Division, filed a complaint in Baltimore City Circuit Court against Rodney Spellen, Mid Atlantic Consulting, Inc., Jemel Lyles, Absolut Ventures Inc., Brian Boyd, 1st Choice Property Management Firm, Inc., Sahar Ali, Alan Muniu, Phillip George, Certified Title & Escrow, Inc. and Reggie Simmons, alleging that the defendants promised to save consumers' homes from foreclosure and restore their credit when, instead, they attempted to take title to the homes and strip the home equity. . On November 9, 2009, the court entered summary judgment as to liability in favor of the Consumer Protection Division and against each of the defendants except Reggie Simmons. A trial was held on November 23rd and 24th, 2009 to determine Simmons' liability, and the appropriate measure of damages, restitution, penalties and costs for each of the defendants . A decision has not yet been issued by the court. The case was originally investigated and referred by the Maryland Department of Labor, Licensing and Regulation - Division of Financial Regulation.

MARYLAND DEPARTMENT OF LABOR, LICENSING AND REGULATION - DIVISION OF FINANCIAL REGULATION

The Office of the Commissioner of Financial Regulation issued summary orders to cease and desist, and in some cases, summary suspensions of Maryland mortgage lender licenses and mortgage loan originator licenses against the following individuals and businesses on the following dates:

Commissioner of Financial Regulation v. ATT Mortgage Company, Shawpin Jong, et al.

ATT Mortgage Company, Shawpin Jong a/k/a Steve Chung, and various other companies and individuals on December 10, 2009 for allegedly engaging in, or conspiring to engage in, mortgage fraud. ATT Mortgage Company allegedly obtained at least 11 different mortgage loans for borrowers after submitting fraudulent employment information to a single lender, falsely claiming that the borrowers were all employed by ASI Alpha Scientific. Both ATT Mortgage and ASI Alpha Scientific are allegedly owned and operated by the same individual, Shawpin Jong a/k/a Steve Chung, at the same location: 416 Hungerford Drive, Suite 200, Rockville, Maryland.

Commissioner of Financial Regulation v. The Shmuckler Group, LLC, Nova Key, LLC, Howard R. Shmuckler, Alon Fisch, and Ted Dubin

The Shmuckler Group, LLC, Nova Key, LLC, Howard R. Shmuckler, Alon Fisch, and Ted Dubin on December 10, 2009 for allegedly engaging in illegal loan modification activities by collecting up-front fees from Maryland homeowners in default on their residential mortgage loans prior to completing all promised services, in exchange for promises to assist them in obtaining a loan modification from their mortgage lender. The respondents also allegedly failed to obtain a Maryland credit services business license. These Respondents allegedly collected over \$1.2 million in up-front fees while promising to modify 372 different Maryland residential mortgage loans (charging an average of \$3,440 in up-front fees to each Maryland resident, with amounts varying between \$1,750 and \$6,000). However, Respondents allegedly obtained loan modifications or analogous results in only a quarter of those cases, yet refused to provide any refunds to Maryland consumers. These Respondents operated primarily out of Northern Virginia.

Commissioner of Financial Regulation v. U.S. Equity Solutions, et al.

U.S. Equity Solutions, LLC, Mortgage Rehabilitation, LLC., Rodney Scott Getlan, Chad Edwards, Brent MacDonald, Jennifer Streaks, Richman and Associates, Inc., and others on November 24, 2009 for allegedly engaging in illegal loan modification activities by collecting up-front fees from over 160 Maryland homeowners in default on their residential mortgage loans, in exchange for promises to assist them in obtaining a loan modification from their mortgage lender, and failing to obtain a Maryland credit services business license. These Respondents operated primarily out of Maryland, with the exception of Richman and Associates, which operated out of California.

Commissioner of Financial Regulation v. Save My HomeUSA, Inc., et al.

Save My Home USA Co., Inc., LM Processing, Jason McCallum, Chad Buchanan, Justin McCallum, and others on November 24, 2009 for allegedly collecting up-front fees from Maryland homeowners in default on their residential mortgage loans, in exchange for promises to assist them in obtaining a loan modification from their mortgage lender, and for failing to obtain a Maryland credit services business license. These Respondents operated primarily out of Madison Heights, Michigan.

Commissioner of Financial Regulation v. GIAN, Inc., ASM, Inc., Roberto T. Aiello, and Trevor S. Smith

GIAN, Inc., ASM, Inc., Roberto T. Aiello, and Trevor S. Smith on November 24, 2009 for allegedly collecting up-front fees from Maryland homeowners in default on their residential mortgage loans, in exchange for promises to assist them in obtaining a loan modification from their mortgage lender, and for failing to obtain a Maryland credit services business license.. These Respondents operated primarily out of Santa Ana, California.

Commissioner of Financial Regulation v. Help Modify Now, Inc., et al.

Help Modify Now, Inc., Help Modify Now Debt Solutions, Inc., Chas Bain, Larry Gunter, and others on November 24, 2009 for allegedly collecting up-from fees from Maryland homeowners in default on their residential mortgage loans, in exchange for promises to assist them in obtaining a loan modification from their mortgage lender and for failing to obtain a Maryland credit services business license. These Respondents operated primarily out of California and Nevada.

Commissioner of Financial Regulation v. Equity Recovery Services, LLC, The Malone Financial Group, LLC., Richman and Associates, Inc., The Law Offices of Erica T. Itzhak & Grace B. Kilchenstein, et al.

Equity Recovery Services, LLC, The Malone Financial Group, LLC, Richman and Associates, Inc., Steven R. Forrest, Jesse Malone, George Denikos, Jason Denikos, Jim Richman, the Law Offices of Erica T. Itzhak & Grace B. Kilchenstein, and others on November 24, 2009 for allegedly collecting up-front fees from Maryland homeowners in default on their residential mortgage loans, in exchange for promises to assist them in obtaining a loan modification from their mortgage lender, and for failing to obtain a Maryland credit services business license. Equity Recovery Services, LLC and the Malone Financial Group, LLC are located in Maryland. Richman and Associates operated primarily out of California, while The Law Offices of Erica T. Itzhak & Grace B. Kilchenstein has offices in New York and Maryland.

Supplemental Note: The Commissioner of Financial Regulation has taken enforcement actions against more than 200 business entities and individuals for mortgage-related misconduct in 2009. For example, the Agency has issued 23 summary orders to cease and desist against loan modification companies during that time, and has brought other regulatory actions for various other violations of the Maryland Mortgage Lender Law and the Mortgage Originators Law. The Agency has also referred multiple cases to federal and local state prosecutors for criminal prosecution; this includes prosecutions not only in Maryland, but also in other jurisdictions such as Orange County, California (which prosecuted 3 cases based on earlier Summary Orders to Cease and Desist against loan modification companies), as well as actions by the California bar against California attorneys named in our actions.

FEDERAL CRIMINAL CASES

METROPOLITAN MONEY STORE

In the case of the Metropolitan Money Store (MMS), a \$37 million mortgage fraud scheme that falsely promised to help homeowners facing foreclosure keep their homes and repair their damaged credit, 10 defendants, including a lawyer, mortgage broker, real estate agent, loan processor and company officers have pleaded guilty in U.S. District Court to their participation in this scheme. Joy Jackson, age 41, of Fort Washington, Maryland, and

President of the Metropolitan Money Store was sentenced to 151 months in prison; Jennifer McCall, age 48, the Chief Executive Officer of the Metropolitan Money Store, of Fort Washington, Maryland, was sentenced on December 7, 2009 to 135 months in prison; and Jackson's husband, Kurt Fordham, age 39, also of Fort Washington was sentenced to 10 years in prison for his participation in the scheme. In addition, Wilbur Ballesteros, a licensed real estate agent who served as a closing agent on more than 60 straw buyer properties, age 34, of Lanham, Maryland, was sentenced to 63 months in prison on December 7, 2009; Jennifer McCall's husband, Clifford McCall, age 48, of Lanham, Maryland was sentenced to four years in prison; Jennifer McCall's daughter, Chandra Jones, age 31, of Lanham, Maryland, was sentenced to 33 months in prison; Richard Allison, age 38, of Camp Springs, Maryland, an attorney and employee of the U.S. Census Bureau who provided legal services to MMS and companies associated with the conspirators, was sentenced to 18 months in prison; and Carlisha Dixon, age 32, of Hyattsville, Maryland to five months in prison and five months home detention. Ronald Aaron Chapman, Jr., a loan officer for MMS, age 35, of Washington, D.C., was sentenced to seven days in prison and 10 months of home detention with electronic monitoring; and Katisha Fordham, Kurt Fordham's sister, was sentenced to 1 day in prison, followed by five months home detention and five months supervised release. The case was investigated by the Federal Bureau of Investigation, U.S. Secret Service, Internal Revenue Service - Criminal Investigation and the Maryland Department of Labor, Licensing and Regulation - Division of Financial Regulation.

U.S. v. MICHAEL K. LEWIS, ET AL.

In September, 2009, Michael K. Lewis, age 57, of Takoma Park, Maryland, was sentenced in U.S. District Court to 78 months in prison for conspiracy and bankruptcy fraud arising from a scheme he orchestrated in which he aired TV ads offering to help financially vulnerable individuals save their homes from foreclosure, and instead defrauded homeowners and mortgage lenders. The goal of Lewis and his co-conspirators was to steal the homeowners' equity by inducing the homeowners to sell their property to Earnest Lewis and converting sale proceeds to the use of the conspirators. Lewis and his co-conspirators did this by fraudulently representing to the homeowners that their "lease/buy-back program" would help the homeowners to keep their homes. Lewis referred several homeowners to Cheryl Brooke to file bankruptcy-related paperwork as a way to postpone foreclosure proceedings in order to give them time to participate in the lease/buy-back program. Lewis and Winston Thomas, a senior loan officer with a mortgage lender, told the homeowners that the "good credit" of Earnest Lewis would be used to temporarily refinance their homes, that they had to sign their homes over to Earnest Lewis and that they could repurchase the homes in roughly one year, or once they regained their financial footing. During the interim, they could remain in their homes only by paying inflated "rent" and fees by having their bank accounts directly debited to an account belonging to co-conspirator Brooke's company "In the House Technologies." Brooke then made payments to Earnest Lewis and Thomas, with the remaining funds being used by Michael K. Lewis and Brooke for their personal benefit. U.S. District Judge Deborah K. Chasanow entered an order of forfeiture judgment against Michael of \$2,228,878. Earnest Lewis, age 52, of Takoma

Park, Maryland, Cheryl Brooke, age 52, of Upper Marlboro, Maryland, and Winston Thomas, age 43, of New Carrollton, Maryland were sentenced to 54 months, 46 months and 37 months in prison, respectively, for their roles in the scheme. The case was investigated by the U.S. Postal Inspection Service, the Federal Bureau of Investigation, the Internal Revenue Service-Criminal Investigation and the U.S. Trustee's Office, with assistance from the Maryland Attorney General's Office Consumer Protection Division.

In regard to this same fraud scheme, the Office of the Maryland Attorney General, Consumer Protection Division, won a judgment against Michael K. Lewis, Earnest Lewis, Cheryl Brooke, In the House Technology, Inc. and Winston Thomas, in the Circuit Court for Baltimore, barring the individual defendants from selling services of any kind to a homeowner who is in default on a mortgage or is in foreclosure, and requires them to pay over a million dollars in restitution and penalties. In the same case, the Consumer Protection Division entered into a consent order with Cornerstone Title & Escrow, Inc., a real estate settlement company that was also named in the action, requiring Cornerstone to pay \$100,100, and bars Cornerstone from performing settlement services for the individual defendants and In the House Technology, Inc.

METRO DREAM HOMES

A federal indictment was returned on April 22, 2009, charging four individuals with wire fraud, bank fraud and conspiracy to commit money laundering, in connection with a scheme that targeted homeowners and home purchasers to participate in a purported mortgage payment program called the "Dream Homes Program." According to the indictment, in exchange for a minimum of \$50,000 initial investment and an "administrative fee" of up to \$5,000, the conspirators promised to make the homeowners' future monthly mortgage payments, and pay off the homeowners' mortgage within five to seven years. Dream Homes Program representatives explained to investors that the homeowners' initial investments would be used to fund investments in automated teller machines (ATMs), flat screen televisions that would show paid business advertisements and electronic kiosks that sold goods and services. To give investors the impression that the Dream Homes Program was very successful, Metro Dream Homes allegedly spent hundreds of thousands of dollars making presentations at luxury hotels such as the Washington Plaza Hotel in Washington, D.C., the Marriott Marquis Hotel in New York, New York and the Regent Beverly Wilshire Hotel in Beverly Hills, California.

In February 2006, the Dream Homes Program added a second program called "POS Dream Homes" that offered similar promises of paying off investor mortgages in five to seven years in exchange for an upfront investment of \$50,000 or more. Collectively, these programs had offices in Maryland, the District of Columbia, Virginia, North Carolina, New York, Delaware, Florida, Georgia and California. The Dream Homes Program successfully recruited over 1,000 investors who invested over \$70 million. Charlotte Melissa Josephine Hardmon, age 39, of Bowie, Maryland, pleaded guilty to conspiracy to commit wire fraud and Carole Nelson, age 50, of Washington, D.C., pleaded guilty to money laundering, in connection with their participation in the scheme. The four defendants charged in the indictment are scheduled to go to trial on June 1, 2010. This prosecution was brought

jointly by the Maryland and Washington, D.C. Mortgage Fraud Task Forces and is being investigated by the Federal Bureau of Investigation, the Internal Revenue Service - Criminal Investigation, the Maryland Attorney General's Office - Securities Division and the Federal Deposit Insurance Corporation - Office of Inspector General.

U.S. v. DEBORAH WILLIAMS

In U.S. District Court, Deborah Williams, age 57, of Pasadena, Maryland, owner of a Severna Park title company, was sentenced to seven years in prison for mail fraud related to a scheme in which she defrauded lenders of over \$3.4 million by diverting settlement funds to her own benefit. The case was investigated by the Federal Bureau of Investigation, with assistance provided by the Maryland Insurance Administration.

BROTHERLY INVESTMENT GROUP

In a multi-million dollar mail fraud scheme to purchase numerous properties in Maryland, Virginia and Washington, DC, using fraudulent mortgage and loan applications, Terrence White, Timothy Reed, Osman Al-Bari, his sister Jamilah Al-Bari, Kara McIntosh and others, paid straw purchasers, including Sabrina Weinberg, \$10,000 per property to purchase houses for them. Weinberg was also told that she would receive an additional \$10,000 per property once the property was sold. From February 2006 to October 2006, Weinberg purchased seven properties with mortgages totaling \$4,692,836. Kara McIntosh acted as the mortgage broker and created loan applications for those purchases which misrepresented Weinberg's income and assets. For example, on several mortgage documents, Weinberg's income was stated to be over \$15,500 per month when Weinberg, McIntosh, Reed, and others knew that she did not have such income. Al-Bari and others had the straw buyers claim large account balances at banks and had Jamilah Al-Bari, who worked at one of the banks, send "verification letters" falsely confirming that the straw buyers had such assets.

Al-Bari, White and Reed also created false invoices to claim that their company, Brotherly Investment Group, performed "renovations" on some of the properties, including the Weinberg properties. Using these false invoices, the co-conspirators were "repaid" at closing for the purported renovations, even though all participants in this scheme knew that no such renovations were done.

The conspirators repeated this fraud scheme with over 15 straw buyers and approximately 25 properties in Maryland, the District of Columbia and Virginia. From 2006 to 2008, Al-Bari, White, Reed and others received approximately \$3,830,418 in fraudulent funds. This scheme involved fraudulent loans worth over \$19,021,366. Over 10 individuals and banks were harmed. Many of the purchased properties have been foreclosed upon.

Osman Sharrieff Al-Bari, age 35, of Washington, D.C., was sentenced to 78 months in prison and Terrence White, age 35, of Oxon Hill, Maryland, was sentenced to 42 months in prison. Kara McIntosh, age 47, and Sabrina Weinberg, age 44, both of Bethesda, Maryland, were sentenced to three years

and two years in prison, respectively for mail fraud. Jamilah Al-Bari, age 37, of District Heights, Maryland and Timothy Reed, age 44, of Beltsville have pleaded guilty to mail fraud in connection with their participation in this scheme and are scheduled to be sentenced in the next two months. The case was investigated by the U.S. Postal Inspection Service, the Federal Bureau of Investigation, the Montgomery County State's Attorney's Office - Economic Crimes Unit and the U.S. Secret Service.

The following agencies participate in the Mortgage Fraud Task Force:

Maryland Department of Labor, Licensing & Regulation, Division of Financial Regulation

Maryland Office of the Attorney General (Criminal Division, Securities Division, and Consumer Protection Division)

Maryland Insurance Administration

Maryland Department of Human Resources

Maryland State Police

Howard County Police Department

State's Attorney's Office for Baltimore City

State's Attorney's Office for Baltimore County

State's Attorney's Office for Howard County

State's Attorney's Office for Montgomery County

State's Attorney's Office for Prince George's County

United States Attorney's Office for the District of Maryland

Federal Bureau of Investigation

Federal Reserve Bank of Richmond

Inspector General, Federal Reserve Board

Inspector General, Federal Deposit Insurance Corporation

Inspector General, Social Security Administration

Inspector General, U.S. Department of Housing & Urban Development

Inspector General, U.S. Department of Veterans Affairs

Internal Revenue Service, Criminal Investigation Division

U.S. Postal Inspection Service

U.S. Secret Service

For further information about the Mortgage Fraud Task Force, including instructions about how to report mortgage fraud and details about criminal mortgage fraud prosecutions, please visit www.usdoj.gov/usao/md/Mortgage-Fraud/index.html.

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