



Six Defendants Plead Guilty to Mortgage Fraud-Related Offenses

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Six Defendants Plead Guilty to Mortgage Fraud-Related Offenses for Selling 61 Houses in Slavic Village Area with 4.5 Million Dollars in Fraudulent Loans

CLEVELAND- County Prosecutor Bill Mason and the Cuyahoga County Mortgage Fraud Task Force operating under authorization of Ohio Attorney General Richard Cordray and Ohio's Organized Crime Investigations Commission announced that six defendants pleaded guilty to mortgage fraud-related offenses for their role as sellers in a large mortgage fraud scheme in Slavic Village.

The sellers are all family members or friends who were led by Pak Yan Lui, 48. The other sellers include: Pak Tim Lui, 51, Pak Chang Lui, 53, Pak Hor Lui, 55, Keng Ming Wong, 46, all of Independence. The sixth defendant, Ken Lam, 59, is from Garfield Heights. Pak Yan Lui pleaded guilty to engaging in a pattern of corrupt activity and ten other mortgage fraud related charges. The others pleaded guilty to a number of mortgage fraud offenses. Collectively these defendants fraudulently sold 78% of the houses in the indictment, 61 in total, for a total of \$4.5 million in fraudulent loans and a total sale value of \$5.1 million.

These defendants and their two rehab companies bought homes at foreclosure sales and sold them to buyers recruited by Mark Kellogg, the deal maker and main defendant in this case. The sellers defrauded the lenders by completing a down payment scheme started by Kellogg and other defendants. The scheme made it appear that a down payment was paid on the house or that these sellers would accept a down payment in monthly installments, but both payments were shams. These sellers gave back the cash down payments and shortly after the deal closed, cancelled the second mortgages for the deals with installment down payments. The sellers never told the lenders this had occurred and they deceived the lenders into believing the down payments had been made. They also gave kickback money to Kellogg for these transactions.

The defendants have agreed to testify against Mark Kellogg and others at trial. They must pay approximately \$200,000 as forfeiture. The trial for Kellogg and the other two defendants, Beverly Cody and Antoinece Robin Boyd, is scheduled for February 8, 2010.

Pak Yan Lui pleaded guilty to 11 counts: 1 (F2), 1 (F3), and 9 (F4)

Pak Chang Lui pleaded guilty to 10 counts; 1 (F3), 9 (F4)

Pak Tim Lui pleaded guilty to 8 counts: 1 (F3), 7 (F4)

Pak Hor Lui pleaded guilty to 5 counts: 1 (F3), 4 (F4)

Keng Ming Wong pleaded guilty to 4 counts: 1 (F3) and 3 (F4)

Ken Lam pleaded guilty to 4 counts: 1(F3) and 3 (F4).

With funding from the Ohio Attorney General's Office and the Organized Crime Investigations Commission, the Task Force was formed in December 2007. The Task Force is comprised of federal, state, and local enforcement agencies.

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