

# St. Louis Business Journal

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## St. Louis men admit to mortgage fraud scheme

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Two St. Louis-area men pleaded guilty Tuesday to a mortgage fraud scheme involving the sale of residential real estate in Sikeston.

Russell Todd McBride, of Creve Coeur, and Robert Wrolstad, of O'Fallon, were charged in a 34-count indictment, Acting U.S. Attorney Michael Reap said Tuesday.

McBride was an operator of **Century Mortgage and Finance Inc.**, which had offices located in Sikeston, Cape Girardeau, St. Louis County and elsewhere.

Wrolstad worked with McBride and for Century Mortgage and helped close real estate transactions and work with title companies.

The scheme, which occurred from at least July 2005 and continued through November 2006, involved investors recruited by McBride and Wrolstad purchasing real estate primarily located in Sikeston.

The owners of the real estate would sell the properties at or near fair market value to investors recruited by and known to McBride and Wrolstad but the investors paid prices significantly greater than the actual selling price received by the sellers for the properties, according to the indictment.

The investors would purchase the property at a fraudulent and overvalued price by obtaining loans to purchase the property.

McBride and Wrolstad obtained appraisals, which significantly overvalued the properties, which enabled them to receive inflated loan proceeds despite having no interest in the conveyed real estate, the indictment alleges.

In one case a purchaser paid \$66,000 for a property that the seller sold for \$7,500, and in another, the purchaser paid \$54,000 for property that the seller sold for \$15,000, according to the indictment.

McBride and Wrolstad pleaded guilty to one count of conspiracy to commit wire fraud and mail fraud, 12 counts of wire fraud and 12 counts of mail fraud. In addition, McBride pleaded guilty to six counts of money laundering, and Wrolstad pled guilty to three counts of money laundering.

Each count of wire fraud and mail fraud carries a maximum sentence of 20 years imprisonment and a \$250,000 fine; each count of money laundering carries a maximum sentence of 10 years imprisonment and a \$250,000 fine. The conspiracy count carries a maximum punishment of 20 years imprisonment and a \$250,000 fine.

**Sentencing is scheduled for Aug. 17 for Wrolstad and Aug.18 for McBride.**

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