



UNITED STATES ATTORNEY'S OFFICE District of Vermont

October 15, 2008

FORMER OPERATORS OF THE HIGHGATE MANOR INDICTED IN \$26 MILLION MORTGAGE FRAUD SCHEME

The Office of the United States Attorney for the District of Vermont stated that Benjamin Osmanson, 29, of Sarita, Texas, and Jillian Protzman, 26, of Essex, Vermont, have been indicted for their roles in a scheme to defraud mortgage lenders by submitting false loan applications in the names of "investors." On Thursday, October 2, 2008, a federal grand jury in Burlington, Vermont returned an eleven-count indictment charging Osmanson and Protzman with, among other offenses, conspiracy to commit wire fraud and money laundering related to their scheme to defraud. Osmanson was arrested last night in Texas and will appear later today in Federal Court in Corpus Christi, Texas, for a bail and removal hearing. Protzman surrendered to the FBI in Burlington last week. She appeared in Federal Court in Burlington last Friday and was released on a variety of bail conditions.

The eleven-count indictment alleges that from at least as early as January 2006 through at least April 2007, defendants Osmanson and Protzman orchestrated the purchase of at least 50 properties in California, Florida, Kentucky, and Vermont in the names of at least 10 investors, obtaining more than \$26,000,000.00 in loans to support the purchases. According to the indictment, Osmanson recruited friends, family members, and acquaintances to "invest" in real estate. Osmanson and Protzman then submitted fraudulent loan applications in the names of the investors to obtain fully-financed mortgage loans. The indictment states that Osmanson, Protzman, and others sought loans from multiple lenders and closed the loans for each investor within a short period of time in order to preserve the appearance of the investor's good credit until the transactions were complete. The indictment further alleges that Osmanson and Protzman enriched themselves with "rebates," "fees," and commissions connected to the fraudulent property purchases, and continued to recruit investors and submit applications for new loans even after the loans to the initial investors began to fail.

The United States Attorney emphasizes that the charges contained in the indictment are merely accusations and that the defendants are presumed innocent unless and until they are proven guilty. If they are convicted, Osmanson and Protzman face maximum possible terms of imprisonment of up to five years on the conspiracy count, 30 years on each count of wire fraud, and 10 years for each count of money laundering; however, the actual sentence in the event of a conviction will be determined in accordance with the federal sentencing guidelines.

The United States Attorney commended the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigations Division, for their hard work on this matter. The United States is represented by Assistant U.S. Attorney Eugenia A. P. Cowles. Protzman is represented by Mark Kaplan, Esq.

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