



PRESS RELEASE

LOUDOUN COUNTY SHERIFF'S OFFICE

For Immediate Release

For More Information, Contact

Kraig Troxell

Public Information Officer

Office: (703) 771-5278

Cell: (571) 436-1305

E-mail: kraig.troxell@loudoun.gov

07/15/09

Loudoun Woman Indicted in \$50 Million Mortgage Fraud Scheme

Loudoun County, Virginia- An Ashburn woman has been indicted in a mortgage fraud scheme allegedly taking advantage of over 100 potential homebuyers.

Diane H. Frederick Atari, 42, is accused of fraudulently fixing clients credit and inflating their income on financial records to place them into homes they could not afford. Atari allegedly illegally obtained monies in excess of one-million-dollars in the scheme. The total loss on these fraudulently obtained mortgages is estimated at over \$50 million dollars.

Authorities believe Atari left the country last week and is possibly in the country of Jordan. Local law enforcement has contacted INTERPOL to assist in locating Atari.

Atari owns and operates ACR Consulting Company and Atari Management Company, both located in Loudoun County, VA. Atari offered "rent-to-own" services for customers who were seeking home ownership. Typically these customers were unable to qualify for mortgages due to bad credit or low income. Atari allegedly signed agreements with the victims with the understanding ACR Consulting Company would attempt to fix the victim's credit.

Initially clients were signed under the agreement at no up front charges, with monies being exchanged at the closing proceedings on the home. Eventually, the suspect began charging the clients an up front fee to cover expenses.

The suspect apparently worked with her clients' creditors to pay off debt, most of the time at less than face value. The debt was usually paid out of the suspects own funds. The money would be returned upon the closing of the customers house purchase. The suspect also allegedly created false credit for her clients by taking associates with excellent credit and advising credit card companies to add her client as an "authorized user" of the card. This would

help increase the clients FICO score. This helped create a false score allowing the clients to qualify for a mortgage mfr.

During this time the suspect allegedly also was repairing the client's reportable income. As the suspect moved her client towards purchasing a home the suspect apparently falsified her clients' financial documents inflating the client's financial status to the point they could qualify for the mortgage. In some cases the suspect deposited her own funds into the client's bank account to show high balances and created false employment documents.

Once the mortgage was approved, Atari would take her clients to close on the property. Sometimes the clients would balk at the large monthly payments required under the fraudulently secured mortgage. Atari would agree that she would subsidize their payments and help them make the monthly payments until such time as she could refinance their loan at a much lower interest rate, thus reducing their monthly payment to a manageable figure for a period of time.

Atari would make her commission upon the sale of the property. She would also receive the fee for credit repair and any monies that she fronted for her client. She also allegedly took a percentage of the fees paid at closing for the brokerage of the services. Most of these homes were unaffordable for her clients and were destined for foreclosure.

"Criminals frequently use challenging economic times to prey upon those in difficult financial straits. Citizens are particularly vulnerable when it comes to receiving financial advice in obtaining a home. This Office has been dedicated, through education and enforcement, to protecting Virginians from those looking to take advantage of unsuspecting victims. Our Financial Crime Intelligence Center was happy to work with Sheriff Simpson's Department in this investigation and we look forward to assisting Commonwealth's Attorney Plowman's Office in the prosecution," said Virginia Attorney General William C. Mims.

Atari was indicted Monday in Loudoun County Circuit Court on ten counts false statements to obtain credit, one count of money laundering, and one count of racketeering.

The year-long investigation was a joint effort between the Loudoun County Sheriff's Office Financial Crimes Unit and the Virginia Office of the Attorney General Financial Crimes Intelligence Center.

#