



Department of Justice Press Release

For Immediate Release

June 11, 2009

United States Attorney's Office

Eastern District of Louisiana

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New Orleans Man Sentenced for Role in Citywide Mortgage House Flipping Scam

CALVIN DAVIS, age 48, and a resident of New Orleans, Louisiana, was sentenced today by the Honorable Martin L.C. Feldman to forty (40) months imprisonment pursuant to his plea of guilty to Conspiracy to Commit Mail Fraud, Making False Statements to Obtain HUD Insurance and Making False Statements In Income Tax Returns, announced U.S. Attorney Jim Letten.

According to the court documents, DAVIS purchased various properties, obtained fraudulent appraisals and arranged for straw buyers to purchase them. DAVIS then sent the straw buyers to Citywide Mortgage to obtain loans by using fraudulent employment and credit documents as well as false tax returns. These loans were approved by MICHELLE COCHRANE, a former underwriter at Citywide Mortgage. COCHRANE admitted at her guilty plea, that she participated in the house flipping scheme with DAVIS and others. COCHRANE pled guilty to approving fraudulent FHA/HUD loan applications for the "straw buyers" while employed at Citywide Mortgage. COCHRANE also admitted that after she approved the fraudulent loan applications, the loans were forwarded to the HUD offices in Denver, Colorado. Based on the fraudulent applications, the Department of Housing and Urban Development insured the loans. Citywide then sold the loans to another mortgage company. Various properties eventually went into default and HUD became responsible for paying off those loans. Additionally, DAVIS failed to report the income he was generating from these various schemes on his income tax returns. DAVIS, who was on bond, was remanded into custody and will begin serving his sentence immediately.

Judge Feldman considered the cooperation provided to the government by DAVIS in imposing the custodial sentence. The defendant was all ordered to pay \$1,018,449.00 in restitution to the Department of Housing and Urban Development and the Internal Revenue Service.

DAVIS is the fifth person to be sentenced for offenses stemming from this investigation. ROBERT GREEN, who pled guilty to Making False Statements in HUD transaction and admitted that he prepared the fraudulent tax returns, was sentence to a probationary term. Three "straw buyers" TIMOTHY FALLS, DENNIS ADDISON and DENNIS LEBLANC, who also pled guilty to Making False Statements in HUD Transaction, were also sentenced to probationary terms. MICHELLE COCHRANE, who pled guilty to Conspiracy to Make False Statements in a HUD transaction, and MICHAEL O'KEEFE, JR., who pled guilty to Making False Statements in a HUD transaction, are awaiting sentencing.

The case was investigated by the Department of Housing and Urban Development, Office of Inspector General; the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigation Division and the United States Postal Inspection Service. The case was prosecuted by the Chief of the Organized Crime Strike Force Unit, Mark A. Miller and Assistant United States Attorneys Michael M. Simpson and Kevin G. Boitmann.

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