



Department of Justice

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Northern District of California**

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SEVEN CHARGED IN 53 COUNT , MILLION DOLLAR MORTGAGE FRAUD SCHEME
More Than 100 Properties Involved

OAKLAND, Calif. B A federal grand jury returned a 53 count indictment charging seven individuals with conspiracy to commit wire fraud, wire fraud, and money laundering for their roles in a mortgage fraud scheme that involved more than 100 properties in Northern California, United States Attorney Joseph P. Russoniello, Special Agent in Charge, IRS Criminal Investigation, Scott O=Briant, and Special Agent in Charge, FBI, Stephanie Douglas, announced.

The indictment, which was unsealed yesterday, charges Amy Schloemann, aka Amy Kinney; Karim Akil, aka Scott Kinney, aka Scott Kenney; Wonda Louise Kidd; Michelle McGuire; Kaska Clay, aka Mark Lane, aka Michael Lewis; James Ross; and Darnell Thomas.

According to the indictment, from October 2004 through July 2007, the defendants participated in a conspiracy to defraud involving more than 100 properties that provided profits in the millions to members of the conspiracy through the fraudulent purchase of real estate and the laundering of profits.

The indictment alleges that in furtherance of the conspiracy, the defendants and their associates recruited and controlled individuals in key positions, including straw buyers, real estate appraisers, notaries and escrow agents. The defendants encouraged straw buyers and others to purchase homes throughout Northern California by falsely promising: to pay them large sums of money and at times paying them large sums of money, that the real estate transactions were legal, that the buyers would not be responsible for the mortgage payments, and that the mortgage payments would be taken over by another person shortly after the purchase of the property.

The indictment states that the defendants directed straw buyers to sign mortgage loan applications that contained false information and false supporting documentation, and paid the straw buyers thousands of dollars in exchange for allowing the defendants to purchase property in their names. The defendants are also alleged to have hired notary publics who were willing to notarize documents by falsely attesting to having witnessed signatures on loan documents when in fact the documents were not signed in the presence of the notaries.

According to the indictment, the defendants increased their profits on the purchase of properties by submitting documents to lenders, including purchase and sale agreements that falsely inflated the purchase prices of the properties, thereby causing the lenders to unwittingly provide loans in amounts that exceeded the true purchase prices and values of the properties. Once the properties were purchased, the defendants disbursed funds from the escrow accounts into bank accounts held by the defendants. The defendants also regularly failed to make the mortgage payments on the purchased properties, causing lenders to foreclose on the properties which resulted

in financial losses to the lenders and damaged the credit ratings of the buyers.

Amy Schloemann, aka Amy Kinney, was a licensed realtor and president of Hiddenbrooke Mortgage in Vallejo, Calif. She completed and caused others to complete false loan application for straw buyers and fictitious buyers. She also acted as a real estate broker for both straw buyers and fictitious buyers.

Karim Akil, aka Scott Kinney, aka Scott Kenny, was the president of Marsh Group Corporation in Oakland, Calif. He was the husband of Schloemann. Akil employed and paid co-conspirators to recruit individuals to act as straw buyers of real estate.

Schloemann and Akil held signature authority on business checking accounts in the names of Hiddenbrooke Mortgage Group, Marsh Group, the Brooke Property Management Company and Sanford and Son MTG. Schloemann and Akil used these accounts to launder the profits of the fraudulent scheme, to make deposit payments on real property purchases in the names of straw and fictitious buyers and to make payments to co-conspirators.

Michelle McGuire worked as a personal assistant for Akil. She was responsible for assisting in the completion of loan applications for straw buyers and fictitious buyers and submitting these loan applications and supporting documentation to lenders. She was paid hundreds of thousands of dollars for her involvement in the fraud scheme.

Wonda Louise Kidd was a manager and escrow officer of Financial Title Company in Castro Valley, Calif. Kidd was the escrow officer on more than 100 properties involved in this scheme, disbursing profits to Schloemann and Akil through wire transfers and checks to their various accounts.

James Ross and Darnell Thomas worked with Akil to recruit straw buyers to purchase real property. Thomas also falsified information on a loan application submitted to a lender for a property he purchased. They were each paid hundreds of thousands of dollars for their involvement.

Kashka Clay aka Mark Lane aka Michael Lewis was a real estate agent who purchased two properties using the alias, Mark Lane. Clay also authorized the use of his telephone number to falsely represent to lenders that Clay=s number belonged to a certified public account.

Schloemann and McGuire were arrested on Nov. 2, 2009 and made their initial appearance in federal court in Oakland on that date. They are currently out on bond. Kidd, Clay and Ross were arraigned today in Oakland federal court and were released on \$100,000 bond. Thomas is scheduled to be arraigned tomorrow. Akil, who is presently serving a sentence in state custody, is scheduled to appear on Nov. 19, 2009 for arraignment. The case is assigned to District Judge Phyllis Hamilton. The defendants are scheduled to make their initial appearance before Judge Hamilton on Nov. 25, 2009 at 1:30 p.m.

The charges of conspiracy to commit wire fraud and wire fraud each carry a maximum penalty of 20 years in prison and a \$250,000 fine. The charge of money laundering carries a maximum prison sentence of 10 years and a fine of \$250,000 or twice the amount of the criminally derived property involved in the transaction. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. ' 3553.

Stephen G. Corrigan is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Kathleen Turner. The prosecution is the result of an investigation by the FBI and IRS-Criminal Investigation with the assistance of the Alameda County District Attorney=s Office.

Please note, an indictment contains only allegations against an individual and, as with all defendants, Schloemann, Akil, Kidd, McGuire, Clay, Ross and Thomas must be presumed innocent unless and until proven guilty.

Further Information:

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Case #: CR 09-01062 PJH

A copy of this press release may be found on the U.S. Attorney=s Office=s Web site at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges= calendars with schedules for upcoming court hearings can be viewed on the court=s Web site at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney=s Office should be directed to Jack Gillund at (415) 436-6599 or by e-mail at Jack.Gillund@usdoj.gov.

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