

News Release

U.S. Department of Justice

United States Attorney
Northern District of Ohio
William J. Edwards
United States Attorney

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216-622-3829

William J. Edwards, United States Attorney for the Northern District of Ohio, announced today that an information has been filed against Paul R. Tomko charging him with one count of mail fraud in connection with mortgage loans that were obtained fraudulently. According to court records, Tomko, age 36, resides in Middleburg Heights, Ohio.

The information alleges that from August 2003 through January 2005, Tomko and others who were not named executed a scheme to defraud Homecoming Financial Network and People's Choice Home Loans in connection with twelve mortgage loans. The information further alleges that Tomko and others caused fraudulent loan applications to be processed through mortgage brokers, including CMS Home Loans in Elyria, Ohio, and Allstate Financial Group in Beachwood, Ohio. The information charges that Tomko utilized straw buyers to purchase properties and to obtain financing in their names. The information further charges that Tomko caused fraudulent appraisals to be prepared which falsely and artificially inflated the true values of the properties that were acquired and financed.

The information also alleges that the loan application packages that were submitted to the lenders included some or all of the following false and fraudulent documentation and information: inflated appraisals, source of down payment, rental income, lease agreements, and forged signatures. The information charges that Tomko and others fraudulently obtained twelve mortgage loans totaling nearly \$1.2 million on properties located in the Cleveland, Ohio, area. It is further alleged that Homecomings Financial Network and People's Choice Home Loans sustained significant losses as these mortgage loans went into default and the properties were sold through foreclosure.

If convicted, the defendant's sentence will be determined by the Court after review of factors unique to this case, including the defendant's prior criminal record, if any, the defendant's role in the offense and the characteristics of the violation. In all cases the sentence will not exceed the statutory maximum and in most cases it will be less than the maximum.

This case is being prosecuted by Assistant United States Attorney John D.

Sammon, following a joint mortgage fraud investigation by the Cleveland Offices of the Federal Bureau of Investigation and the Department of Housing and Urban Development, Office of the Inspector General.

An information is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

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