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PRESS RELEASE

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District Man Indicted in Mortgage Fraud Scheme, Accused of Obtaining \$2.4 Million Through the Fraud

WASHINGTON - Akinola George, 40, of Washington, D.C., has been indicted by a federal grand jury on charges of bank fraud, mail fraud, and conspiracy to commit bank/mail fraud in a scheme that led to \$2.4 million in losses.

The indictment was announced by U.S. Attorney Ronald C. Machen Jr., Keith A. Fixel, Acting Inspector in Charge, Washington Division, U.S. Postal Inspection Service, Michael Stephens, Acting Inspector General of the U.S. Department of Housing & Urban Development, and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

The seven-count indictment, unsealed today in the U.S. District Court for the District of Columbia, alleges that George and other co-conspirators used 22 real estate property sales to defraud banks and other mortgage lenders. These property sales were for houses, almost exclusively in the District of Columbia, with mortgage loans totaling about \$9 million.

The scheme is said to have started with the co-conspirators recruiting straw buyers who were not qualified to purchase residential real estate; the co-conspirators arranged for mortgage loans through forged documents and false information. According to the indictment, George siphoned off \$2.4 million in lender money through phony invoices claiming that renovation work had already been performed on the houses, although little or no work had been completed. Many of the mortgages were later defaulted and the properties foreclosed and resold for a loss.

The indictment includes a forfeiture allegation seeking all of the proceeds of the crimes.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until, and unless, proven guilty.

This case is being investigated by the Postal Inspection Service, Office of Inspector General of the Department of Housing and Urban Development, Metropolitan Police Department, and the FBI's Washington Field Office, with help from the D.C. Department of Insurance, Securities, and Banking, and Crystal Boodoo, Forensic Accountant, Fraud & Public Corruption Section of the U.S. Attorney's Office. In addition, Assistant U.S. Attorney Diane Lucas assisted in forfeiture. The case is being prosecuted by Assistant U.S. Attorney Virginia Cheatham.

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