



# Department of Justice

ACTING UNITED STATES ATTORNEY, SALLY QUILLIAN YATES  
Northern District of Georgia

FOR IMMEDIATE RELEASE

12/22/09

<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

## **ATLANTA MAN INDICTED IN “SHORT SALE” FRAUD RELATED TO THE FAILED OMNI NATIONAL BANK**

ATLANTA, GA - BRENT MERRIELL, 37, of Atlanta, Georgia has been indicted by a federal grand jury on charges of aggravated identity theft and false statements to the FDIC, today waived his detention hearing today before United States Magistrate Judge Russell G. Vineyard, and has been immediately detained. The indictment charging MERRIELL was filed on December 15, 2009, and unsealed yesterday with his arrest.

In Washington D.C., Special Inspector General for the Troubled Asset Relief Program (SIGTARP) Neil Barofski said, “Although there were many reasons for our financial crisis, fraudulent schemes like the egregious conduct alleged in the charges announced today have played a substantial role in the demise of several institutions. SIGTARP is committed to working with its law enforcement partners to root out these crimes wherever they can be discovered.”

Federal Deposit Insurance Corporation, Office of Inspector General, Southeast Region Special Agent In Charge C. Ed Slagle said, “The FDIC is tasked with liquidating the assets of failed banks such as Omni for the maximum possible amount. Therefore, we aggressively investigate and prosecute fraudulent acts that jeopardize maximum recoveries.”

Department of Housing and Urban Development Inspector General Kenneth M. Donohue said, “The Department of Housing and Urban Development’s Office of Inspector General remains diligent in its commitment to protect scarce program funds for those who truly need assistance. In today’s economic crisis, the American taxpayer expects our federal programs to aid those in need and demands justice for those who would seek to distort benevolent intent by perpetrating fraudulent schemes. We will continue in our partnership with other law enforcement and prosecutorial agencies to bring the full force and assets of the government against those who seek private gain in the midst of such hardship.”

U.S. Postal Inspector in Charge, Atlanta Division Martin D. Phanco said, “The U.S. Postal Inspection Service has a long and proud history of protecting the United States mail from criminal attack. This defendant clearly took advantage of the economic vulnerabilities of the banking industry. As long as we have criminals with such disregard for the law, Postal Inspectors will continue to focus their efforts on the protection of the American public.”

According to Acting United States Attorney Yates, the charges and other information presented in court: MERRIELL obtained several million dollars in loans in his name and in the names of his family and friends from “Omni National Bank” before Omni’s failure and takeover by the FDIC on March 27, 2009. Beginning in October 2009, after remaining delinquent on loan repayments and facing foreclosure on 14 properties, MERRIELL asked the FDIC to forgive \$2.2 million in Omni loan payoffs on the properties and allow him to “short sale” two properties each to seven new purchasers at greatly reduced amounts. A “short sale” occurs when a lender agrees to the sale of property-- on which the current owner has defaulted on the loan-- to a third party for less than the full amount due. Lenders are willing to accept “short sales” as a means of reducing their losses on bad loans and assisting the distressed property owner. The investigation revealed that new purchases were being made in the names of people whose identities had been stolen and that the sales contracts and loan commitment letters submitted to the FDIC by MERRIELL in support of the proposed “short sales” were forged and counterfeited. MERRIELL was arrested earlier today before he could complete these sales and ruin the credit of the persons whose stolen identities he used.

The indictment charges MERRIELL with two counts of making a false statement to the FDIC and four counts of aggravated identity theft. MERRIELL faces a maximum statutory penalty of up to 30 years in prison and a fine of up to \$1,000,000 on each false statement charge, and up to 2 years in prison and a fine of up to \$250,000 on each count of aggravated identity theft, with the sentence in at least one aggravated identity theft count being imposed as a mandatory 2 year consecutive term. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

Additional Omni related prosecutions to date include: MARK ANTHONY MCBRIDE, 43, of East Point, Georgia, who pleaded guilty on April 4, 2009, to fraudulently obtaining millions of dollars in mortgage loans from Omni and other lenders. MCBRIDE is scheduled to be sentenced on March 2, 2010 at 2 p.m., before United States District Judge Jack T. Camp. MCBRIDE remains in jail while awaiting sentencing.

On December 18, 2009, a two-count Criminal Information was filed against DELROY OLIVER DAVY, 37, of Lithonia, Georgia, charging him with bank fraud and conspiracy to commit bank, mail and wire fraud in connection with a scheme to

fraudulently obtain millions of dollars of mortgage loans from Omni and other lenders. At his initial appearance before United States Magistrate Judge Gerilyn Brill, DAVY waived indictment and announced his intention to plead guilty to those charges in January 2010. The plea hearing will be scheduled before United States District Judge Jack T. Camp. DAVY faces a maximum sentence of up to 30 years in prison and a fine of up to \$1,000,000 on each count. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

Members of the public are reminded that the indictment contains only allegations. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

These cases are being investigated by Special Agents of a Mortgage Fraud Task Force, comprised for Omni-related cases, of the Office of the Special Inspector General for the Troubled Asset Relief Program, the FDIC-Office of Inspector General, the Housing and Urban Development (HUD)-Office of Inspector General, the United States Postal Inspection Service and the Federal Bureau of Investigation. The task force is continuing a number of Omni-related investigations, including inquiries from Omni's application for Troubled Asset Relief Program (TARP) funds.

Assistant United States Attorneys Gale McKenzie and Christopher Bly are prosecuting the cases.

For further information please contact Sally Q. Yates, Acting United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).