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THREE INDIVIDUALS SENTENCED IN MORTGAGE FRAUD CONSPIRACY

Hattiesburg, Miss - Louis Gholar, of Hattiesburg, Undrea Harris, of Hattiesburg, and Santiago Sutton of Jackson, were sentenced in U.S. District Court this week on charges relating to a mortgage fraud conspiracy, U.S. Attorney Donald R. Burkhalter and IRS Criminal Investigation Special Agent in Charge Michael J. DePalma announced today.

Louis Gholar was sentenced on April 20, 2010 to 78 months in federal prison, followed by 5 years of supervised release. He was also ordered to pay restitution in the amount of \$276,788.88 and to forfeit \$7,368.88 in cash. Additionally, a money judgment was entered against him in the amount of \$1,010,910.12. Gholar pled guilty to conspiracy to commit money laundering and conspiracy to possess with the intent to distribute more than 500 grams of a mixture or substance containing methamphetamine on August 14, 2009.

Undrea Harris was sentenced on April 20, 2010 to 37 months in federal prison, followed by 3 years of supervised release. She was also ordered to pay restitution in the amount of \$493,056.44, and a money judgment was entered against her in the amount of \$1,366,209.00. Harris pled guilty to conspiracy to commit money laundering on August 14, 2009.

Santiago Sutton was sentenced on April 21, 2010 to 15 months in federal prison, followed by 3 years of supervised release. He was also ordered to pay restitution in the amount of \$43,335.00, and a money judgment was entered against him in the amount of \$95,310.00. Sutton pled guilty to conspiracy to commit mail and wire fraud on December 9, 2009.

Harris, Gholar, and Sutton conspired with Carla Wilson, who owned and operated Home Mortgage Center, LLC, to fabricate documents (including false verifications of deposit, false verifications of rent, false forms to verify income, false W-2 forms, false tax returns, false verification of employment, false residential lease agreements and altered official bank checks) and give false information to lenders to fraudulently obtain residential mortgage loans for

borrowers who did not qualify financially to receive the loans, and thereafter conduct financial transactions to disburse funds from the proceeds of that fraud to their co-conspirators to induce them to continue their participation in the conspiracy and to conceal the nature, ownership and control of the proceeds of the wire and mail fraud.

All of the fraudulent documents were either mailed or wired to lenders outside the state of Mississippi. The fraudulent loan application information, the fraudulent supporting documents, and the fraudulent cash down payments caused the lender to believe the borrower had the ability to repay the mortgage loan and also created the appearance of a mortgage marketable as a security on the secondary market. This combination induced the lender to approve and fund the mortgage loan.

Carla Wilson was sentenced in December, 2009 to serve 100 months in prison and to pay restitution in the amount of \$708,663.16.

"We are pleased with the sentences. These types of crimes create a significant loss of tax revenue, drive buyers into foreclosure, leave lenders burdened with bad loans, and neighborhoods with abandoned and deteriorating properties. Special Agents of IRS Criminal Investigation are highly skilled investigators who will continue to work with the US Attorney's Office and other federal agencies to ensure that those engaged in illegal activities are brought to justice," said Michael J. De Palma, Special Agent in Charge of IRS Criminal Investigation.

U.S. Attorney Burkhalter praised the efforts of the agents from IRS Criminal Investigation, DEA, and the Mississippi Bureau of Narcotics, who were involved in this case. He also commended the work of Assistant U.S. Attorneys Carla Clark and Jerry Rushing who prosecuted the case.

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