



U. S. Department of Justice
United States Attorney's Office
Southern District of Mississippi

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FOR IMMEDIATE RELEASE
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FORMER JACKSON MORTGAGE BROKERS SENTENCED
IN SEPARATE MORTGAGE FRAUD SCHEMES

Jackson, Mississippi - U.S. Attorney Dunn Lampton and Michael J. DePalma, Special Agent in Charge of the Internal Revenue Service Criminal Investigation announced that DAVID KENNEDY and LaVONNE HAMILTON, two former mortgage brokers in Jackson, MS, were each sentenced on Friday, April 04, 2008, by U.S. District Judge Henry T. Wingate for their respective roles in separate mortgage fraud schemes. David Kennedy was sentenced to serve 24 months in federal prison followed by 3 years of supervised release. LaVonne Hamilton was sentenced to serve 16 months in federal prison followed by 2 years of supervised release. In November 2007, Kennedy and Hamilton each pleaded guilty to conspiracy to commit money laundering of the proceeds from their individual mortgage fraud schemes.

In August 2006, Kennedy and Hamilton were separately charged as a result of a joint investigation by the Jackson Financial Crimes Task Force lead by the Internal Revenue Service Criminal Investigations Division and the Federal Bureau of Investigation for conspiring with others to submit false information to mortgage lenders and secure fraudulent mortgage loans for others by using interstate wires. From these fraudulent proceeds Hamilton and Kennedy and their various co-conspirators received numerous fees, commissions and other profits to which

they were not entitled. To promote the continuation of the mortgage fraud schemes, from the proceeds of these fraudulent loans Kennedy and Hamilton each received additional profit from the real estate transactions to which they were not entitled under the guise of payments to fictitious creditors which were actually alter ego companies associated with Hamilton or Kennedy. As a result of the fraudulent information submitted to the various mortgage lenders by Hamilton, Kennedy and their co-conspirators in each of these cases, fraudulent mortgage loans exceeding \$835,000 were collectively disbursed.

Special Agent in Charge Michael J. De Palma stated, “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. IRS CI is committed to pursuing individuals who commit these types of crimes.”

The prosecutions of David Kennedy and LaVonne Hamilton were handled by Assistant United States Attorneys Carla J. Clark and Cynthia L. Eldridge, and federal agents from the Internal Revenue Service-Criminal Investigations division and the Federal Bureau of Investigation, assisted by other participating agencies in the Jackson Financial Crimes Task Force, which is tasked with attacking the mortgage fraud problem in the Southern District. Current participating federal and state agencies include Internal Revenue Service-Criminal Investigations, Federal Bureau of Investigations, United States Postal Inspection Service, Federal Deposit Insurance Corporation-Office of Inspector General, Housing and Urban Development-Office of Inspector General, Madison Police Department, Mississippi Secretary of State’s Office, Mississippi Real Estate Commission and Appraisal Board, Mississippi Department of Banking and Consumer Finance, and the Madison-Rankin District Attorney’s Office.

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