



Department of Justice



FOR IMMEDIATE RELEASE
THURSDAY, JUNE 17, 2010
WWW.JUSTICE.GOV

PAO
(202) 514-2007
TDD (202) 514-1888

FINANCIAL FRAUD ENFORCEMENT TASK FORCE ANNOUNCES REGIONAL RESULTS OF "OPERATION STOLEN DREAMS" TARGETING MORTGAGE FRAUDSTERS

JACKSON, Miss – Following an announcement today by Attorney General Eric Holder in Washington, DC, U.S. Attorney Donald R. Burkhalter announced the regional results of the nationwide takedown, Operation Stolen Dreams, which targeted mortgage fraudsters in the Southern District of Mississippi and throughout the country, and is the largest collective enforcement effort ever brought to bear in confronting mortgage fraud.

The sweep was organized by President Obama's interagency Financial Fraud Enforcement Task Force, which was established to lead an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. Starting on March 1, to date Operation Stolen Dreams has involved 1,215 criminal defendants nationwide, including 485 arrests, who are allegedly responsible for more than \$2.3 billion in losses. Additionally, to date the operation has resulted in 191 civil enforcement actions which have resulted in the recovery of more than \$147 million.

"Mortgage fraud ruins lives, destroys families and devastates whole communities, so attacking the problem from every possible direction is vital," said Attorney General Holder. "We will use every tool available to investigate, prosecute, and prevent mortgage fraud, and we will not rest until anyone preying on vulnerable American homeowners is brought to justice."

"People who participate in mortgage fraud engage in the worst kind of commercial deceit, bringing disgrace on the professions they represent, their families, and themselves. It is regrettable that over-arching greed and arrogance drives people such as these to federal prison, where they richly deserve to go," said U.S. Attorney Burkhalter.

Unlike previous mortgage fraud sweeps, Operation Stolen Dreams focused not only on federal criminal cases, but also on civil enforcement, recovering money for victims and increasing cooperation with state and local partners.

The President's Financial Fraud Enforcement Task Force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit StopFraud.gov.

Participants in Mississippi's local Jackson Financial Crimes Task Force include the Internal Revenue Service, United States Postal Inspection Service, Federal Bureau of Investigation, Federal Deposit Insurance Corporation-Office of Inspector General, Housing and Urban Development-Office of Inspector General, Mississippi Secretary of State's Office, Mississippi Real Estate Commission and Appraisal Board, and the Mississippi Department of Banking and Consumer Finance.

Operation Stolen Dreams cases in the Southern District of Mississippi included:

United States vs. Mark Calhoun, J. Larry Kennedy, and Keith M. Kennedy

A federal jury convicted former loan closing agents J. Larry Kennedy and Keith M. Kennedy on 35 total counts of conspiracy to commit mail and wire fraud, conspiracy to launder money, multiple counts of wire fraud, and multiple counts of money laundering in relation to their roles in a mortgage fraud conspiracy and scheme. Also convicted on 33 of the counts was former mortgage loan originator Mark J. Calhoun. Generally, the jury found that these defendants worked together to fabricate loan applications and supporting documents such as creditor invoices, as well as forge borrower signatures and fabricate notarizations, so inflated mortgage loans could be obtained in straw borrowers names, with excess loan proceeds being pocketed by one or more of the defendants. All three defendants are scheduled for sentencing on July 16, 2010.

United States vs. Undrea Harris, Louis Gholar, and Santiago Sutton

United States v. Carla Wilson

Louis 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. He was sentenced to 78 months in prison, and ordered to pay restitution of \$276,788.88. He was also ordered to forfeit \$7,368.88 in cash. Additionally, a money judgment was entered against him in the amount of \$1,010,910.12.

Undrea Harris pled guilty to conspiracy to commit money laundering and was sentenced to 37 months in prison and ordered to pay restitution of \$493,056.44. A money judgment was entered against her in the amount of \$1,366,209.00.

Santiago Sutton pled guilty to conspiracy to commit mail and wire fraud and was sentenced to 15 months in federal prison. He was 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.

Carla Wilson pled guilty to conspiracy to commit money laundering and was sentenced to 100 months in prison and to pay restitution in the amount of \$708,663.16.

Gholar, and Sutton conspired with Carla Wilson, who owned and operated Home Mortgage Center, LLC, and Undrea Harris, who worked as a loan originator with Wilson, to create false documents and give false information to lenders to obtain residential mortgage loans for borrowers who did not qualify to receive the loans. 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.

United States vs. Gene Bradford

Gene Bradford pled guilty to federal money laundering charges in connection with a \$1 million mortgage loan fraud scheme, and was sentenced to 48 months in prison. From January 2003 through approximately December 2004, Bradford, and others acting at his direction, prepared false documents to insure that lenders would make mortgage loans to prospective borrowers. If the mortgage loans were successful, Bradford received a fee for his brokerage services. In order to obtain funding for borrowers who were otherwise unqualified to receive mortgage loans, Bradford, and others acting at his direction, would fabricate various kinds of documents, including fictitious social security benefit statements, false income and/or employment information, false verifications of rent, or false verifications of bank funds on deposit. False entries were also included on HUD-1 Settlement Statements submitted to various lenders with the final loan packets which reflected that the borrower paid cash at the closing of the loan when no such funds were paid by the borrower.

United States vs. Earline Rawls

Earline Rawls was convicted by jury for Conspiracy to Commit Bank Fraud and Bank Fraud for providing a bank with false information and documents regarding the income, assets, employment and primary residence status to obtain mortgage loans. Rawls created "HeavenlyHomes, LLC" as an alter-ego limited liability company, designating herself as the president of that company. Rawls and her co-conspirators manufactured a fraudulent "statement of income" falsely reflecting that RAWLS, d/b/a Heavenly Homes, LLC received over \$1 million in total revenue, and then fabricated tax returns to mirror the inflated income so the loans would be approved. She is awaiting sentencing.

United States vs. Shane Rothery

Shane Rothery was indicted for Mail Fraud for fabricating information on residential appraisals and inflating the property values so that he and his accomplices could pocket the excess proceeds. He is awaiting trial.

#