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**JAMES WYNN THREATT SENTENCED TO
OVER 20 YEARS IMPRISONMENT IN FRAUD CASES**

Jackson, Miss - Acting United States Attorney Stan Harris announced today that JAMES WYNN THREATT of Brandon, MS, was sentenced in U.S. District Court to serve 250 months (20 years and 10 months) in federal prison in relation to a \$ 3.5 million mortgage fraud conspiracy and a \$2.5 million wire fraud scheme involving car loans at the Metro Mitsubishi and Metro Hyundai car dealerships in Jackson. Threatt received an enhanced sentence because he committed some of his crimes while out on a federal bond.

James Wynn Threatt owned numerous properties in the Jackson-metro area, and engaged in the business of selling properties. He also was president of Wynn Properties, Inc., which was in the business of general remodeling of residential property. Threatt would recruit persons to purchase residential properties as investments with the understanding that those properties would thereafter be rented to various tenants which he would select.

In order to get the purchase money from the lenders, defendant Threatt caused numerous false representations to be made regarding the financial situations of these "investors" and the value and condition of the properties. Threatt helped these "investors" complete their loan applications and supporting documents – such as financial statements and tax returns – needed to get the money to fund these purchases. Threatt caused false information to be submitted to lenders on HUD-1 Settlement statements, and when necessary Threatt fraudulently enhanced

financial statements for the investors and also fraudulently modified tax returns to make the borrower appear creditworthy and acquire the funding and in an effort induce the lender to fund the loans.

Further, Threatt fraudulently altered appraisals to misrepresent the value or condition of the property that would collateralize the loan, and he fabricated title opinions and title work and created fictitious title certificates which falsely represented no existing encumbrances to properties that in fact were already pledged as collateral to other banks on other loans. Threatt also sold the same piece of property to multiple individuals, fraudulently representing to each that he was conveying clear title to the property.

Threatt's conviction and sentence for wire fraud involved fraudulently acquiring car loans for his auto dealerships. Threatt, using his position as an owner and manager of Metro Mitsubishi and Metro Hyundai, fraudulently obtained more than one loan for many of the vehicles in inventory at the respective car dealerships. Through this scheme to defraud, known as "double floor planning," Threatt would fraudulently acquire twice the amount of funds per car from the lenders.

Additionally, Threatt took steps to keep these vehicles listed in dealership's inventory when, in fact, these vehicles had been sold and the dealership had been paid for them. As a result, the loans on such vehicles were not called due to be paid in full with interest by the lender, and funds were not withdrawn from the accounts controlled by Threatt. The fraudulently obtained funds were used by Threatt for various purposes, including for his own personal benefit. The losses to various lenders totaled over \$2.5 million.

Threatt engaged in the wire fraud scheme involving car loans while out on federal bond after being charged with conspiracy to commit mortgage fraud. It is a separate federal offense to commit a crime while released on bond, and all federal defendants are warned ahead of time by

the court that it is a separate federal offense to commit any crimes while released on bond. Many of Threatt's fraudulent wire transactions occurred after he entered a guilty plea in the mortgage fraud case.

Threatt was sentenced to serve the 60 months, the statutory maximum penalty, for the mortgage fraud conspiracy. Threatt also was sentenced to serve 158 months imprisonment for the wire fraud scheme and an additional 32 months for commission of a crime while released on federal bond. All sentences will run consecutively for a total of 250 months imprisonment. Threatt was also ordered to pay \$2,426,422.50 in restitution in the mortgage fraud conspiracy case and to pay \$1,287,010.74 in restitution in the wire fraud case. His assets are also subject to forfeiture as part of the sentence.

Acting U.S. Attorney Stan Harris praised the inter-agency cooperation of the Financial Crime Task Force which investigated this case. Harris said "the fraud in this case was made even more significant because of continued criminal activity while Threatt was on federal bond. Financial crime is an intensely serious matter for which the Southern District of Mississippi has assembled an excellent team of anti-fraud experts. This case is an good example that when a defendant continues to commit crime, a likely consequence is increased time in federal prison."

Commenting upon the sentence imposed upon Threatt, Frederick T. Brink, Special Agent in Charge of the Federal Bureau of Investigation in Mississippi, stated: "This case involved multiple complex, fraudulent schemes, and affected numerous financial institutions and individual victims. It is conservatively estimated that Threatt defrauded his victims of over Four Million Dollars. The severity of the sentence imposed on this individual speaks to the outstanding efforts of the FBI and FDIC-OIG special agents who investigated and uncovered the schemes, and the Assistant United States Attorneys who prosecuted this case before the Court. It also speaks to the recognition by the justice system that financial crimes have devastating effects

upon their victims and should be vigorously investigated, prosecuted and punished."

This investigation has been ongoing for over three years and was investigated by Jackson Financial Crimes Task Force agents from the Internal Revenue Service, the Federal Bureau of Investigation, and the Federal Deposit Insurance Corporation - Office of Inspector General. Assistant United States Attorneys Carla J. Clark and Dave Fulcher prosecuted the cases for the United States Government.

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