



*United States Attorney
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**FLORIDA MAN PLEADS GUILTY TO STEALING MILLIONS
IN PHONY MORTGAGE SCHEME**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, Special Agent-in-Charge of the New York Office of the Federal Bureau of Investigation, announced that ALLEN PLOWDEN, a/k/a "Jay," pleaded guilty earlier today before Magistrate Judge JAMES C. FRANCIS IV to conspiracy to commit mail fraud and bank fraud arising out of a scheme to defraud financial institutions -- including Countrywide Financial and NovaStar Mortgage -- out of over 2 million dollars in a phony home mortgage scheme. According to the Information to which PLOWDEN pleaded guilty, other documents filed in this case, and statements made at PLOWDEN's guilty plea proceeding:

PLOWDEN and his co-conspirators defrauded financial institutions by applying for bogus home loans, the proceeds of which were withdrawn via numerous ATM transactions in the New York City area. For example, in April 2006, using the identities of others, PLOWDEN and his co-conspirators applied for a \$300,000 mortgage from NovaStar in the name of a fictitious closing agent called "Harrison and Associates," and in August 2006, applied for a \$1,426,769 mortgage from Countrywide in the name of a fictitious closing agent called "Williams and Associates."

The mortgages were fully funded, but the loan proceeds -- in excess of \$2 million -- were never used to purchase any property. Rather, PLOWDEN and others wired the loan proceeds to other financial institutions around the United States and ultimately into accounts linked to hundreds of gift cards or

stored value cards ("SVCs") - which are similar to debit cards in that SVCs can be used to withdraw money from ATMs. Thereafter, the loan proceeds were withdrawn from ATMs in Manhattan and the Bronx through numerous individual cash withdrawals by co-conspirators.

PLOWDEN, 42, of North Miami, Florida, pleaded guilty to a criminal Information charging him with one count of conspiracy to commit wire fraud and bank fraud. He faces a maximum of thirty years in prison at his sentencing, currently scheduled for August 1, 2008, before United States District Judge VICTOR MARRERO. He also faces a maximum fine of the greater of \$1 million or twice the gross gain or loss from the offenses.

Mr. GARCIA praised the outstanding investigative work of the FBI.

Assistant United States Attorney BENJAMIN A. NAFTALIS is in charge of the prosecution.

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