



# Department of Justice

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## **FOUR SENTENCED FOR MORTGAGE FRAUD SCHEME**

DAYTON – Four participants in an extensive mortgage fraud scheme that affected 210 residential properties including 205 in Montgomery County were sentenced today in federal court.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation; Jose Gonzalez, Special Agent in Charge, Internal Revenue Service Criminal Investigation, and other members of the Dayton Mortgage Fraud Task Force announced the sentences handed down today by U.S. District Judge Michael A. Barrett.

Edward McGee, 76, was sentenced to three years probation and fined \$140,000. Edward McGee pleaded guilty on May 11, 2009 to one count of conspiracy to commit money laundering.

His son, Kenneth O. McGee, 50, was sentenced to 32 months in prison and fined \$12,500. Kenneth McGee pleaded guilty on May 11, 2009 to one count of conspiracy to commit mail fraud, wire fraud and money laundering, and one count of conspiracy to commit money laundering.

Robert Mitchell, 43, Vandalia, was sentenced to 32 months in prison and fined \$12,500. Mitchell pleaded guilty on March 11, 2009 to one count of conspiracy to commit mail fraud, wire fraud and money laundering, and one count of conspiracy to commit money laundering.

Kamal J. Gregory, 36, Centerville, was sentenced to 10 months in prison and fined \$12,500. Gregory pleaded guilty April 14, 2009 to one count of conspiracy to commit mail fraud, wire fraud and money laundering, and one count of conspiracy to commit money laundering.

These cases stem from a 13-count indictment involving six defendants which was originally handed down on June 25, 2008. The four sentenced today were part of a conspiracy that operated and controlled various Dayton-based real estate mortgage and title insurance related businesses and corporations that schemed to defraud 33 mortgage lending institutions out of over \$7 million in loan proceeds and other things of value. This scheme involved arranging, facilitating and manipulating documents associated with real estate sales and closings in order to fraudulently obtain excess mortgage loan proceeds generated from the sale of residential properties for the personal benefit of the co-conspirators.

Two others involved in the scheme were previously sentenced. Julian M. Hickman, 32, formerly of Centerville and now living in East Cleveland, pleaded guilty on December 15, 2008 to conspiracy and tax crimes. Hickman was sentenced on December 10, 2009 to 33 months imprisonment. Jessica A. Zbacnik, 42, of Monroe, pleaded guilty on July 29, 2009 to one count

of conspiracy to commit money laundering and one count of conspiracy to commit mail fraud, wire fraud and money laundering. She was sentenced on December 3, 2009 to 30 months imprisonment.

Agencies participating in the Greater Dayton Mortgage Fraud Task Force in addition to the FBI and IRS include the Ohio Department of Commerce Division of Financial Institutions, Ohio Attorney General Richard Cordray's Office, the U.S. Postal Inspection Service, the U.S. Department of Housing and Urban Development Office of Inspector General, and the Perry Township Police Department. Stewart commended the cooperative investigation of the Task Force agencies and Assistant U.S. Attorney Dwight Keller, who prosecuted the case.

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