



# Department of Justice

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Northern District of Georgia

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## **TEAGUE SENTENCED TO FEDERAL PRISON FOR SALE OF NON-EXISTENT/PARTIAL HOUSES IN TWO COUNTIES**

Atlanta, GA - JEFFERY ALAN TEAGUE, a/k/a "Jeffrey Allen Bryant," 49, of Atlanta, Georgia and formerly of Montgomery and Prince Georges County, Maryland, was sentenced today by United States District Judge Thomas W. Thrash, Jr., on charges relating to two builder-based mortgage fraud schemes involving \$15 million in fraudulent loans.

United States Attorney David E. Nahmias said of the case, "This case highlights the problems created by mortgage fraud where the builder is involved in the scheme and out-of-state 'investors' sign for loans without inspecting the properties. Some of these houses never existed. Even the partially built houses in this case may be subject to condemnation as the portions completed were not built to code, thereby leaving mortgage lenders with little security for their loans and the so-called investors with nothing to resell."

TEAGUE was sentenced to 15 years, 8 months in prison, followed by 3 years supervised release, and ordered to pay restitution of \$7.8 million. TEAGUE was indicted in August 2006 on two counts of wire fraud. He pleaded guilty to both counts of the indictment on November 27, 2006.

According to United States Attorney Nahmias and the information presented in court: From 1999 to 2001, the defendant, using the name "Jeffrey Alan Bryant" and operating as the builder/seller "Quantum Builders and Premium Property Management," defrauded mortgage lenders by obtaining over \$10 million in loans for the purchase of non-existent and incomplete houses in Rockdale County from "Bryant/Quantum Builders." These loans were obtained in the names of unqualified "straw borrowers," using fraudulent appraisals with photographs of completed houses and false Certificates of Occupancy provided by TEAGUE. After investigators found out about the scheme, TEAGUE moved to Maryland.

TEAGUE returned to Atlanta in 2006, using the name "JEFFERY ALAN TEAGUE" and "The Pacific Group, Inc., d/b/a Value Homes Ltd.," and again began to

arrange mortgage loans for the purchase of incomplete houses, this time in Forsyth County. TEAGUE secured the loans from "Teague/Value Homes" in the names of California, New York, and Florida "investors" by providing false Certificates of Occupancy stating the houses securing the loans were "completed to code" and "suitable for occupancy," supported by fraudulent appraisals containing photographs of completed houses. Later in 2006, TEAGUE also collected "investor" money for property in subdivisions in Fayette and Fulton Counties which he did not own.

TEAGUE was arrested by the FBI on August 3, 2006, in connection with the execution of a series of search warrants on his offices and the incomplete Forsyth County houses. Investigators determined that there were \$5 million in fraudulent mortgage loans for Forsyth County houses in 2006, plus over \$10 million in similar fraudulent mortgage loans for similar incomplete and non-existent houses in Rockdale County in 1999 and 2000.

This case was investigated by of the Federal Bureau of Investigation.

Assistant United States Attorney Gale McKenzie prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).