



Press Release

CONVICTION RETURNED ON MORTGAGE FRAUD AND TAX EVASION INDICTMENT

June 6, 2008

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, Jonathan I. Solomon, Special Agent in Charge, Federal Bureau of Investigation, and Michael E. Yasofsky, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, announced that at the conclusion of a three week trial before a federal jury in West Palm Beach, Florida, on June 5, 2008, verdicts of guilty were returned as to **Gregory Claude Brown** on an eighteen count indictment. Specifically Brown was convicted of conspiracy, wire fraud and mail fraud arising from a scheme to obtain mortgages for homes in the amount of more than \$3 million dollars by placing false information on documents to induce banks to lend money for the purchase of more than 10 homes. Brown was also convicted of failure to timely file his federal income tax returns for the 2001 through 2005 tax years and of income tax evasion with regard to his 1998, 1999, and 2001 through 2005 taxes. According to the superseding indictment, Brown failed to pay his 1998, 1999, and 2001 through 2005 income tax liabilities, which totaled approximately \$214,299, and he engaged in affirmative acts of evasion, including concealing his income and assets, filing false documents with the Internal Revenue Service, and placing funds and property in the names of nominees.

During the course of the investigation and based upon the evidence presented during the trial, Brown and others created false income tax returns to justify his claims of income on the mortgage application. Brown filed these false returns well after the filing dates required and failed to pay any taxes due and owing despite buying more houses, buying a 40 foot go-fast boat, traveling to foreign countries, leasing high end motor vehicles, and buying luxury items.

Brown faces up to one year in prison on the failure to timely file federal income tax return counts, and up to five years on the tax evasion count. The conspiracy to commit wire fraud, wire fraud, and mail fraud charges each carry a maximum penalty of 20 years imprisonment, and a \$250,000 fine, for a combined total possible sentence of 250 years and more than \$4 million dollars in fines.

Sentencing is schedule for Brown on August 14, 2008, before U.S. District Court Judge Donald M. Middlebrooks. Brown is currently in custody. Brown was previously convicted on a charge of providing false information on a loan to a bank to obtain a mortgage in 2004.

Co-defendant Monica Martinez, defendant Brown's girlfriend, pled guilty to filing a false tax return as relates to the scheme to obtain mortgages fraudulently. This tax return was created after the defendants knew they were charged with the wire fraud counts arising from their activities with the mortgage companies in an effort to cover-up the fraud. Monica Martinez faces a sentence of up to three years' incarceration, and a fine of up to \$250,000.

Co-defendant Wilfredo Martinez pled guilty to one count of wire fraud arising from his application for a mortgage using false and fraudulent information as related to a property in North Palm Beach, Florida. Mr. Martinez faces a sentence of up to 20 years in prison and up to a \$250,000 fine.

Mr. Acosta commended the investigative efforts of the IRS and FBI. The case is being prosecuted by Assistant United States Attorney Ellen Cohen and DOJ Tax Division Trial Attorney Stephanie Evans.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at

<http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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