



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

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AUSTIN AREA MORTGAGE FRAUD SCHEME LEADER FAILS TO APPEAR FOR SENTENCING

United States Attorney Johnny Sutton announced that a federal arrest warrant has been issued for former Austin resident Cornelius Robinson, the final defendant to be sentenced in this case, for failure to appear for sentencing in connection with a multi-million dollar mortgage fraud scheme.

In March, Robinson was convicted of conspiracy to make false statements related to a loan, conspiracy to commit wire fraud, five substantive counts of wire fraud, 9 substantive counts of false statements related to a loan, one count of aiding and abetting the receipt of commissions or gifts from loans by a bank employee, conspiracy to commit money laundering and 7 substantive counts of money laundering.

The overall conspiracy involved sixteen named defendants, at least 33 properties, 19 financial institutions and over \$4.5 million in claimed losses. From September 1999 to present, Robinson and the others participated in a scheme to defraud mortgage lenders, including federally insured financial institutions, with regard to loans acquired to purchase 33 properties in the Austin and San Antonio area. The scheme centered upon the use of real estate "flips." That is, the defendants purchased property at one price and would immediately sell, or "flip," the property to a "straw buyer" at a higher price. In doing so, the mortgage lenders were deceived as to the true nature of the transaction and the financial status of the "straw buyer." The straw buyers did not make the subsequent monthly mortgage payments and all of the loans have gone into default. All of loans have been either foreclosed upon or are the subject of current foreclosure proceedings.

This case was investigated by the Federal Bureau of Investigation and the Internal Revenue Service - Criminal Investigations. The case is being prosecuted for the government by Assistant United States Attorney Mark Lane.

Anyone with information on Cornelius Robinson's whereabouts is asked to contact the United States Marshals Service in Austin at (512) 916-5393 or in San Antonio at (210) 472-6646.

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