



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

**Johnny Sutton, U.S. Attorney**

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**FOR IMMEDIATE RELEASE**

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**JURY CONVICTS FIVE IN AUSTIN AREA MORTGAGE FRAUD SCHEME**

**United States Attorney Johnny Sutton** announced that a jury returned guilty verdicts late Friday afternoon in United States District Court in Austin, Texas against five current and former Austin residents, including ringleader Cornelius Robinson, for their roles in a multi-million dollar mortgage fraud scheme.

Following a nine day trial, the jury convicted:

- Cornelius Robinson, age 47, of Austin, Texas, who was the leader and organizer of the fraud scheme. 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. Robinson was acquitted of one false statement charge;
- Michael Breon, age 39, formerly of Austin and a current resident of McKinney, Texas, and a straw purchaser. Breon was convicted of conspiracy to make false statements related to a loan, one count of wire fraud and one count of conspiracy to commit money laundering. Breon, a licensed loan officer and mortgage broker, was employed by several different loan origination and mortgage companies during the conspiracy. Breon was acquitted of conspiracy to commit wire fraud;
- Sindu Sukumaran, age 36, wife of Michael Breon and a straw purchaser. Sukumaran was convicted of wire fraud. Sukumaran was acquitted of conspiracy to make false statements related to a loan, conspiracy to commit wire fraud and conspiracy to commit money laundering;
- Marlon Nathan Torres, age 45, of Hutto, Texas, a licensed real estate agent and buyer and seller of real estate in the Austin area. Torres was convicted of one count each of conspiracy to commit money laundering and money laundering. Torres was acquitted of conspiracy to make false statements related to a loan, conspiracy to commit wire fraud and one substantive count of false statement related to a loan;
- Jeffrey Andre Wilkins, age 46, of Austin, a cousin of Cornelius Robinson and a straw purchaser. Wilkins was convicted of one count each of conspiracy to make false statements related to a loan, conspiracy to commit wire fraud, false statement related to a loan, conspiracy to commit money laundering and money laundering.

United States District Judge Sam Sparks has scheduled sentencing for June 20, 2008.

**Robinson, et al. convictions release**

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The five defendants which went to trial were the last of sixteen defendants who were indicted on January 8, 2008 by the Federal Grand Jury in Austin. Eleven co-defendants pleaded guilty to related charges prior to trial. These co-defendants are set for sentencing on June 6, 2008. The co-defendants include:

- Silvia Seelig, age 45, of Austin, and wife of Cornelius Robinson who during the conspiracy, was a licensed real estate agent and a straw buyer;
- George H. Watson, age 55, of Austin, a licensed attorney who specializes in real estate transactions. Watson served as the closing attorney on most of the real estate transactions described in the Indictment;
- James Douglas Atwood, age 51, of Austin, Cornelius Robinson's uncle and a straw buyer;
- Doris Ann Hill, age 40, of Austin, a personal banker employed at Wells Fargo Bank. For a fee, Hill agreed to provide a false verification of deposit to loan underwriters in relation to three real estate transactions involving defendant Snead;
- Julius Meyers Lofton, a 45-year-old licensed real estate agent living in Austin and a straw buyer;
- Roy Rivers, age 52, of Austin, and a straw buyer;
- Danielle Guice Rosas, age 40, of Austin, and a straw buyer;
- Stanley Ma, age 27, of Honolulu, Hawaii and a straw buyer;
- Leonard Brown, age 38, of Houston, Texas, who provided a false verification of employment in association with Onyx Consulting and defendant Ma;
- Russell Snead, age 43, of the Seattle, Washington area and a straw buyer; and,
- Leroy Williams, age 46, of Austin and a straw buyer.

From September 1999 to present, the defendants participated in a scheme to defraud mortgage lenders, including federally insured financial institutions, with regard to loans acquired to purchase 25 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.

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