



**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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**SENTENCES HANDED DOWN IN AUSTIN AREA MORTGAGE FRAUD SCHEME**

**United States Attorney Johnny Sutton** announced that in Austin today, 12 individuals convicted for their roles in a multi-million dollar mortgage fraud scheme led by Cornelius Robinson were sentenced in U.S. District Court. The overall conspiracy involved sixteen named defendants, at least 33 properties, 19 financial institutions and over \$4.5 million in claimed losses.

“Mortgage fraud damages the stability of our national housing market and hurts American homeowners. Today’s sentences make clear that those who lie, cheat and steal in these corrupt schemes will pay the price,” stated United States Attorney Johnny Sutton

United States District Judge Sam Sparks sentenced four of five defendants who were convicted after a two week jury trial that ended on March 28, 2008. They are:

- Michael Breon, age 39, formerly of Austin and a current resident of McKinney, Texas, and a straw purchaser in the scheme to 48 months in federal prison followed by five years of supervised release. Judge Sparks also ordered Breon to pay a \$63,000 fine. Breon was convicted by the jury 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;
- Sindhu Sukumaran, age 37, wife of Michael Breon and a straw purchaser in the scheme to 18 months in federal prison followed by five years of supervised release. Sukumaran was convicted by the jury of one count of wire fraud;
- Marlon Nathan Torres, age 46, of Hutto, Texas, a licensed real estate agent and buyer and seller of real estate in the Austin area to 24 months in federal prison followed by three years of supervised release. Judge Sparks also ordered Torres to pay a \$24,000 fine. Torres was convicted by the jury of one count each of conspiracy to commit money laundering and money laundering;
- Jeffery Andre Wilkins, age 46, of Austin, a cousin of Cornelius Robinson and a straw purchaser in the scheme to 30 months in federal prison followed by five years of supervised release. Judge Sparks also ordered Wilkins to pay a \$6,000 fine. Wilkins was convicted by the jury of one count each of conspiracy to commit both wire fraud and providing false statements related to a loan, false statement related to a loan, conspiracy to commit money laundering and money laundering.

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United States District Judge Sam Sparks also sentenced eight other defendants who had pled guilty to offenses related to the fraud scheme:

- George H. Watson, age 55, of Austin, who served as the closing attorney on most of the real estate transactions involved in the scheme, to 57 months in federal prison followed by five years of supervised release. In March, Watson pleaded guilty to one count of Conspiracy to Commit both Wire Fraud and False Statements Related to a Loan;
- James Douglas Atwood, age 51, of Austin, Cornelius Robinson's uncle and a straw buyer in the scheme to three years probation. Judge Sparks also ordered Atwood to pay a \$6,500 fine. In February, Atwood pleaded guilty to one count of Conspiracy to Commit Provide False Statements Related to a Loan;
- Russell Snead, age 44, of the Seattle, Washington area and a straw purchaser in the scheme to 24 months in federal prison followed by 3 years of supervised release. Judge Sparks also ordered Snead to pay a \$50,000 fine. In March, Snead pleaded guilty to one count of Conspiracy to Provide False Statements Related to a Loan;
- Doris Ann Hill, age 40, of Austin, to three years probation. Judge Sparks also ordered Hill to pay a \$1,800 fine. In February, Hill pleaded guilty to one count of Receiving a Commission or Gift in related to the Fraudulent Application for a Loan. For a fee, Hill, a personal banker employed at Wells Fargo Bank, 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 in the scheme to three years probation. Judge Sparks also ordered Lofton to pay a \$1,800 fine. In February, Lofton pleaded guilty to one count of Conspiracy to Provide False Statements Related to a Loan;
- Roy Rivers, age 52, of Austin, and a straw buyer in the scheme to one year of probation. In February, Rivers pleaded guilty to one count of Conspiracy to Provide False Statements Related to a Loan;
- Danielle Guice Rosas, age 40, of Austin, and a straw buyer in the scheme to two years probation. Judge Sparks also ordered Rosas to pay a \$1,200 fine. In February, Rosas pleaded guilty to one count of Conspiracy to Provide False Statements Related to a Loan;
- Stanley Ma, age 28, of Honolulu, Hawaii, and a straw buyer in the scheme to 24 months in federal prison followed by 3 years of supervised release. In February, Ma pleaded guilty to one count of Conspiracy to Provide False Statements Related to a Loan.

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Co-defendant Leroy Williams, age 47, of Austin was sentenced on June 12, 2008. Williams was a straw buyer in the scheme was sentenced to three years probation including 30 days of home confinement after pleading guilty to one count of Conspiracy.

Sentencing for ringleader Cornelius Robinson, age 48 of Austin, is scheduled for 9:00 a.m. on August 8, 2008. Robinson was convicted on multiple counts of fraud by the jury at the conclusion of the trial in March. Robinson's wife, Silvia Seelig, age 46 of Austin, is scheduled for sentencing on 9:00 a.m. on Monday, June 23, 2008 after having pled guilty to Conspiracy to Commit both Wire Fraud and Provide False Statements Related to a Loan. Leonard Brown, age 38, of Houston, Texas, is also scheduled for sentencing on Monday, June 23, 2008 at 9:00 a.m. In March, Brown pleaded guilty to one count of Conspiracy to Provide False Statements Related to a Loan.

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 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.

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