



# Department of Justice

**United States Attorney Susan W. Brooks  
Southern District of Indiana**

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## **CHICAGO MAN SENTENCED TO 87 MONTHS IN PRISON FOR MORTGAGE FRAUD SCHEME**

### PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that ROMERO BRICE, 37, Chicago, Illinois, was sentenced to 87 months imprisonment yesterday by U.S. District Judge Sarah Evans Barker following his guilty pleas to conspiracy to commit mail fraud and money laundering. This case was the result of an investigation by the Internal Revenue Service and the Federal Bureau of Investigation.

According to facts presented in court at the guilty plea hearing, from late 2000 to early 2002, while living in Indianapolis, Indiana, BRICE fraudulently obtained over \$4,000,000.00 in loans from a Michigan lending institution by submitting false loan applications, fraudulent financial documents, and falsely inflated appraisals for the purpose of obtaining mortgage loans. The court found that the loss to the lender caused by BRICE' s fraudulent activities was \$2,738,900.00.

BRICE operated as both a mortgage broker and a real estate broker. He was the owner of, and licensed mortgage broker for, Promise Land Mortgage in Indianapolis. BRICE located and obtained at fair market value (in the names of office employees or investors) properties in low income neighborhoods of Indianapolis. He then used " investors" to repurchase the properties a very short time later at 3-4 times their fair market value. He also used James Spicer to prepare false appraisals for him on the properties. Spicer was previously convicted for preparing the fraudulent appraisals.

BRICE used recruiters who located investors for him. The investors were encouraged to buy several properties at a time, for " no money down." They were given \$10,000.00 per property back at closing by BRICE. The recruiters were generally given \$1000.00-2000.00 by

BRICE to locate and bring in the investors. BRICE also had certain investors “ front” the down payments for the second sales; these individuals received their fronted down payment plus \$500.00 back at closing.

BRICE financed all of the fraudulent mortgages through the Michigan lender. BRICE submitted false loan packages to the lender to obtain the mortgages. Along with the fraudulent appraisals, the loan packages included false loan applications, showing that the investors had assets and bank account balances far in excess of what they had. BRICE also created a company called Your Insurance Source and submitted documents to the lender purporting to show that the buyers had a homeowners insurance binder from that company, which was not true.

The Michigan lender approved and financed at least eighty-three (83) loans, based upon the false documents submitted by BRICE. The total amount of these loans was approximately \$4,220,000.00. The lender relied upon the false appraisals, loan applications and supporting documents to approve the loans and make the disbursements. False settlement statements (Forms HUD-1) were prepared and checks were issued to disburse the loan proceeds; the falsely obtained proceeds were paid to BRICE, primarily through a business he set up called Greenhouse Resources. BRICE then kicked back money to the investors who purchased the properties and the recruiters who brought the investors into the scheme. False invoices were submitted to support the issuance of the checks, showing that Greenhouse and the individuals who had fronted the down payments were actually owed money by the sellers for services rendered. None of the loans were paid as agreed and the properties became the subject of foreclosure proceedings.

According to Assistant United States Attorney Susan Heckard Dowd, who prosecuted the case for the government, Judge Barker also imposed two years supervised release following BRICE’s release from imprisonment. BRICE was also ordered to make restitution in the amount of \$2,595,807.84.

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