



U.S. Department of Justice

**Stephen J. Murphy
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Eastern District of Michigan**

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For Immediate Release:

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May 16, 2008

EVENT: Sentenced

Defendant: Hani Mortada et al

FINAL TWO DEFENDANTS SENTENCED

IN MAJOR MORTGAGE FRAUD CONSPIRACY ON FEDERAL NARCOTICS CHARGES

Brothers and Dearborn residents Hani Mortada, 29, and Wael Mortada, 28, were sentenced today following their guilty pleas to participating in a 10-defendant mortgage fraud conspiracy, United States Attorney Stephen J. Murphy announced today. Murphy was joined in the announcement by Andrew G. Arena, Special Agent In Charge of the Detroit Field Office of the Federal Bureau of Investigation.

The Mortadas were the last of ten defendants to be sentenced in this case. In October, 2007, Safi Sobh, 35, also of Dearborn, was sentenced to serve ten years in prison after being convicted by a jury of leading the mortgage fraud conspiracy that obtained inflated appraisals on residential properties, created false applications and obtained millions of dollars in bank loans.

Hani Mortada was sentenced to serve 20 months in prison; to pay restitution of \$648,750; and to serve 5 years under the supervision of the Court upon his release from custody. Because he was determined to be a lesser player in the fraud scheme, Wael Mortada was sentenced to serve 3 years under the supervision of the Court, the first 6 months

in a Community Corrections Center; to complete 300 hours of community service; and to pay restitution of \$82,800. The sentences were imposed by U.S. District Judge Patrick J. Duggan.

The evidence presented during Safi Sobh's three-week trial established that between July 2002 and December 2005, the conspirators successfully corrupted the system of checks and balances lending institutions rely upon to determine how much money they can safely lend on a property, and whether a particular borrower is qualified to repay the loan. Ohio Savings Bank, Commercial Federal Bank and several other federally insured financial institutions relied upon the false representations of the conspirators and loaned millions of dollars, most of which has not been recovered. Working out of his realty, The Success Group, Sobh hand-picked and taught his co-conspirators how to commit these crimes. Co-conspirators (including the Mortada brothers) acted as corrupt loan originators, processors, appraisers, and straw buyers.

United States Attorney Stephen J. Murphy said, "Mortgage fraud is a very serious problem in our community and across the nation. Today's sentences of the last of the ten conspirators makes very clear that every individual who participates in a scheme designed to undermine the integrity of the banking system, whether they play a major role or a minor one, will be appropriately punished. The successful investigation of this highly complex and sophisticated case required a significant commitment of resources by the FBI and by my office, and I commend them for their efforts."

U.S. Attorney Murphy thanked the FBI for the successful investigation of the case, which was prosecuted by Assistant United States Attorneys Cynthia Oberg and Julie Beck.