



U.S. Department of Justice

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For Immediate Release:

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EVENT: Indictment

Defendant: Pierre Greene et al

THREE INDICTED IN MORTGAGE FRAUD SCAM

Former Detroit Police Officer Pierre Greene, 27, City of Detroit Tax Assessor Jacque Miller, 37, and Sandy Robinson, 50, were named in an 11-count indictment unsealed Thursday in federal court. The indictment charges the three men with conspiracy to commit federal crimes, bank fraud and wire fraud in connection with a multi-million dollar mortgage fraud scheme, Acting United States Attorney Terrence Berg announced. Berg was joined in the announcement by Andrew C. Arena, FBI Special Agent in Charge.

Jacque Miller was arraigned on the indictment on Thursday and released on bond. Pierre Greene and Sandy Robinson are expected to appear to answer to the charges in the near future. The matter is pending before the Honorable Gerald E. Rosen.

Acting United States Attorney Terrence Berg said, "Mortgage fraud harms both the financial institutions and the housing market. These complex schemes saddle properties with bogus loans, make it harder for honest buyers to enter the market, and prevent houses from being sold. We will continue to pursue such crimes vigorously."

The indictment charges that between January 2004 and December 2006, the named

defendants and others obtained fraudulent mortgage loans on more than 35 properties located in the City of Detroit, including nine residences described in the indictment in detail:

- a. 13371 Flanders on 6/22/04;
- b. 14155 Mayfield on 1/13/05;
- c. 5969 Newport on 3/9/05;
- d. 13329 Flanders on 4/25/05;
- e. 13329 Flanders on 9/12/05;
- f. 13321 Flanders on 9/16/05;
- g. 13435 Hampshire on 9/22/05;
- h. 13312 Wilfred on 1/16/06; and
- i. 12573 Fairport on 2/17/06

According to the indictment, the defendants worked in concert to defraud lending banks about each of the three criteria that are critical and material to inform a lender's decision whether or not to grant a mortgage on a house: First, the **value of the collateral**: is the property worth more than the amount of the mortgage, so that if the borrower defaults, the lender can sell the house and recoup the amount of the loan? Second, the **capacity of the borrower** to repay the loan: does the borrower have a steady income, or assets on hand, sufficient to be able to pay back the principal with interest? Third, the **credit-worthiness of the borrower**: does the borrower have a history of making timely payments on other loans, or paying rent, or paying credit card debt? The defendants took steps to delude the lenders about each of those three important matters.

The indictment alleges that the defendants obtained the fraudulent mortgages using a scheme commonly known as "flipping." They bought run down, often uninhabitable properties for a few thousand dollars, obtained appraisals falsely claiming the properties were worth as much as ten times the purchase price, paid people to act as straw buyers, applied for mortgages for the full inflated value, and then simply walked away from the payments. The qualifications of the straw buyers – their employment, their income from other sources, their credit history, their cash on hand, their assets, and so on – were supported by forged and

counterfeit documents designed to persuade the lending institutions to loan millions of dollars. The banks were left with loans that went almost immediately into default, and worthless collateral.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt. The case was investigated by Special Agents of the FBI. The case is being prosecuted by Assistant U.S. Attorney Cynthia Oberg.