



Department of Justice

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Northern District of Georgia

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NEWNAN MORTGAGE BROKER AND ITS PRINCIPAL INDICTED FOR BANK FRAUD

Newnan, GA - JOSEPH E. WHITE, 50, of Atlanta, Georgia, and "SOUTHERN LENDERS MORTGAGE CORPORATION," located in Newnan, Georgia, have been indicted on charges of defrauding its lender of approximately \$3.7 million. JOSEPH E. WHITE is expected to make an initial appearance/bond hearing/arraignment on October 11, 2006. The company's initial appearance before a United States Magistrate Judge is expected later in the week.

United States Attorney David E. Nahmias said, "This indictment alleges that Southern Lenders, a broker of residential loans, was fraudulently dealing with its own lender, nBank. We and the FBI, and the Office of Inspector General for the FDIC will thoroughly and vigorously investigate fraud against our federally insured banking system."

According to United States Attorney Nahmias, the charges and other information presented in court: Between 1999 and 2006, JOSEPH E. WHITE, acting as a principal of SOUTHERN LENDERS MORTGAGE CORPORATION, allegedly secured funding on multiple loans through a specific broker line of credit with a lender, "nBank." When SOUTHERN LENDERS subsequently sold these loans to investors, the funds to pay back the nBank credit line were allegedly fraudulently diverted. The alleged diverted funds totaled approximately \$3,700,000. Accordingly to the Indictment, the funds were used for a number of purposes. The indictment alleges the money was used for the personal expenses of JOSEPH E. WHITE and others associated with SOUTHERN LENDERS; for SOUTHERN LENDERS' asset acquisition and expenses; to finance various real estate ventures; and to fraudulently provide "front money" to borrowers who were seeking loans being processed by SOUTHERN LENDERS.

The indictment charges one count of bank fraud. The charge carries a maximum sentence of 30 years in prison and a fine of up to \$1,000,000.

Members of the public are reminded that the indictment contains only allegations. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

This case is being investigated by Special Agents of the Office of Inspector General of the Federal Deposit Insurance Corporation and the Federal Bureau of Investigation.

Assistant United States Attorney Barbara E. Nelan is prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.