



Department of Justice

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ORGANIZER PLEADS GUILTY IN \$15 MILLION MORTGAGE FRAUD AFFECTING 80 PROPERTIES IN ATLANTA'S WEST END

Many Properties Went Into Foreclosure

Atlanta, GA - KEVIN G. WIGGINS, 41, of Ellenwood, Georgia pleaded guilty today in federal district court to charges related to a large-scale mortgage fraud scheme that targeted West End neighborhoods in Atlanta in 2001 and 2002.

United States Attorney David E. Nahmias said of today's guilty plea, "The use of a phony rehab scheme and straw borrowers to steal money from mortgage lenders on so many properties that were later foreclosed devastated an area of our community that was struggling to preserve its historic character. This guilty plea, along with the prior guilty plea of a complicit appraiser, resulted from a committed FBI investigation supported by neighborhood activists. We will continue to aggressively investigate and prosecute those who promote such mortgage fraud schemes in North Georgia."

FBI Special Agent in Charge Greg Jones said of the case, "The aggressive investigative and prosecutive team responsible for today's guilty plea should be lauded for their efforts not only in this case but in other similar cases, which have had a tremendous impact in reducing the number of mortgage fraud schemes in the Metro Atlanta area. Today's guilty plea should serve as a deterrent to others contemplating such schemes to defraud."

According to United States Attorney Nahmias and the information presented in court: WIGGINS contracted for the purchase of over 80 distressed properties primarily in Atlanta West End neighborhoods at their true value which ranged from \$24,000 to \$80,000. Then, before he actually purchased the property, he deeded the properties to unqualified straw borrowers, some of whom were relatives of his. Using false information about the, in fact, unqualified straw borrowers, arranged for financing for them and obtained a total of over \$15 million in mortgage loans. When WIGGINS applied for those loans in the names of the straw borrowers, he inflated each property's value by as much as \$100,000 by falsely representing that the properties had been completely renovated or "rehabbed." Furthermore, WIGGINS claimed the properties were occupied by tenants paying rent in excess of the projected monthly mortgage amount. WIGGINS paid a co-defendant in the case, appraiser FRANK W. ASTWOOD, 37, of Hampton, Georgia, three times the legitimate appraisal fees to write appraisals that falsely reflected that each property had been rehabbed.

In reverse order of the sequence of events in a legal real property transaction, WIGGINS purchased these properties after he had already "sold" them to the straw borrowers, using proceeds from the "sales" – which came from the fraudulently inflated mortgage loans obtained in the straw borrowers' names – to buy the properties and to pay his appraiser, himself and other coconspirators. WIGGINS operated this scheme through a number of companies he had established, such as "TWF," and "The Wiggins Family." The lenders in this scheme suffered losses totaling approximately \$7 million, and affected West End neighborhood property taxes doubled due in part to the fraudulently inflated property valuations.

WIGGINS, along with co-defendants ASTWOOD and LYDIA WIGGINS CHRISTOPHER, 59, of Union City, Georgia, were indicted by a federal grand jury in February 2007.

WIGGINS pleaded guilty today to one count of conspiracy and two counts of wire fraud. He could receive a maximum sentence of 15 years in prison and a fine of up to \$750,000 and be ordered to pay restitution of \$7 million. ASTWOOD pleaded guilty to this mortgage fraud conspiracy on June 14, 2007. ASTWOOD could receive a maximum sentence of five years in prison and a fine of up to \$250,000 and be ordered to pay restitution. CHRISTOPHER has pleaded not guilty to the charges and awaits trial. No trial date has yet been set.

Sentencing is scheduled for WIGGINS and ASTWOOD, at January 31, 2008, at 10 a.m., before United States District Judge Jack T. Camp.

This case is being investigated by Special Agents of the Federal Bureau of Investigation. The United States Attorney's Office also wishes to thank residents of West End neighborhoods and the "30310 Mortgage Fraud Task Force" for their assistance and

support.

Assistant United States Attorney Gale McKenzie 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.