



Department of Justice

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01/11/08

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APPRAISER SENTENCED TO PRISON IN MORTGAGE FRAUD

Submitted Fraudulent Appraisals On Incomplete Houses In Forsyth County

Atlanta, GA - DARRYL L. COOPER, 27, of Decatur, Georgia, was sentenced today by United States District Judge Thomas W. Thrash, Jr., for a scheme to defraud mortgage lenders by creating fraudulent appraisals that reflected completed construction. The appraisals supported \$4.7 million in fraudulent loans for purchases in the names of out-of state "investors" of incomplete homes from builder/coconspirator JEFFERY ALAN TEAGUE.

United States Attorney David E. Nahmias said of the case, "This case highlights the problems created by mortgage fraud in which the appraiser conspired with the builder to misrepresent that construction on homes was complete, compounded by out-of-state 'investors' who sign for loans without inspecting the properties. The partially built houses in this case may be subject to condemnation, as the portions completed were not built to code, leaving mortgage lenders with little security for their loans and 'investors' with nothing to resell, and neighborhoods full of vacant and uninhabitable houses."

COOPER was sentenced to 1 year, 6 months in federal prison to be followed by 3 years of supervised release, and was ordered to pay restitution of \$4,720,500. His sentence was reduced substantially due to his cooperation in the investigation. COOPER pleaded guilty to a one-count criminal information on November 7, 2007, on a charge of mortgage fraud conspiracy. TEAGUE was sentenced on October 26, 2007, to 15 years, 8 months in prison and ordered to pay \$7,803,701 in restitution for his part in this fraud, following his August 3, 2006, arrest by the FBI and his plea of guilty to the charge on November 27, 2006.

According to United States Attorney Nahmias and the information presented in court: COOPER was recruited by coconspirator/builder TEAGUE of "The Pacific Group, Inc.," d/b/a "Value Homes Ltd.," to prepare fraudulent appraisals reflecting photographs and \$5 million in appraisal valuations for 15 completed houses in the Greenleaf Subdivision of Forsyth County, when Teague had not completed the construction of these homes. A California lender relied on COOPER's fraudulent appraisals which reflected

completed construction to make \$4.7 million in mortgage loans secured by these properties, which in fact had no value whatsoever. Many of the borrower/purchasers from California, New York and Florida also relied on the COOPER appraisals, rather than inspecting the properties before closing on their loans.

This case was investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorney Gale McKenzie prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney 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.