

The United States Attorney's Office

Southern District of Florida

Press Release

PALM BEACH COUNTY MAN SENTENCED TO 240 MONTHS ON MORTGAGE FRAUD AND TAX EVASION CHARGES

October 30, 2008

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, Jonathan I. Solomon, Special Agent in Charge, Federal Bureau of Investigation, and Michael E. Yasofsky, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, announced today that defendant **Gregory Claude Brown**, of Palm Beach County, was sentenced by U.S. District Court Judge Donald M. Middlebrooks to 240 months' imprisonment, to be followed by three (3) years of supervised release. Brown was also ordered to pay restitution of over \$2 million to the financial institutions and other victims of the fraud.

On June 5, 2008, at the conclusion of a three week trial in West Palm Beach, FL, Brown was found guilty on an eighteen count indictment. Specifically, Brown was convicted of conspiracy, wire fraud and mail fraud arising from a scheme to obtain more than \$9 million in home mortgages by submitting false information to banks regarding the purchase of more than 10 homes. Brown was also convicted of failure to timely file his federal income tax returns for the 2001 through 2005 tax years and of income tax evasion with regard to his 1998, 1999, and 2001 through 2005 taxes. According to the superseding indictment and evidence presented at trial, Brown failed to pay his 1998, 1999, and 2001 through 2005 income tax liabilities, which totaled approximately \$214,299, and engaged in affirmative acts of evasion, including concealing his income and assets, filing false documents with the Internal Revenue Service, and placing funds and property in the names of nominees.

According to evidence presented during the trial, Brown and others created false income tax returns to justify the false income information on the mortgage applications. Brown filed these false returns well after the filing dates required and failed to pay any taxes due and owing despite buying more houses, buying a 40 foot go-fast boat, traveling to foreign countries, leasing high end motor vehicles, and buying luxury items.

Co-defendant **Monica Martinez**, defendant Brown's girlfriend, pled guilty to filing a false tax return in connection with the scheme to obtain mortgages fraudulently. On July 28, 2008, defendant Monica Martinez was sentenced to three (3) years of probation.

Co-defendant **Wilfredo Martinez** pled guilty to one count of wire fraud resulting from his submission of false information on a mortgage application for a property in North Palm Beach, Florida. On August 25, 2008, defendant Wilfredo Martinez was sentenced to twelve (12) months of probation.

Mr. Acosta commended the investigative efforts of the IRS and FBI. The case was prosecuted by Assistant United States Attorney Ellen Cohen and DOJ Tax Division Trial Attorney Stephanie Evans.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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