



U.S. Department of Justice

*United States Attorney
District of Maryland
Northern Division*

*Allen F. Loucks
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201*

*410-209-4800
TTY/TDD:410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

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FOR IMMEDIATE RELEASE

**FOR FURTHER INFORMATION CONTACT
VICKIE E. LEDUC, AUSA,
(410) 209-4885**

SETTLEMENT AGENT PLEADS GUILTY TO CONSPIRACY TO DEFRAUD

Baltimore, Maryland - United States Attorney for the District of Maryland Allen F. Loucks announces that today Kim M. Blackwell, age 46, of Baltimore, Maryland, pleaded guilty before United States District Judge Marvin Garbis to conspiracy to defraud mortgage lenders and the United States Department of Housing and Urban Development (HUD).

According to the statement of facts presented to the court, Blackwell was employed by different title companies from November 1996 to April 17, 2000. The duties of a closing agent include: collecting money from the buyers; properly distributing the funds, including the loan proceeds that the lender had transferred to the title company's escrow account; and signing under the penalties of perjury a settlement statement, known as a HUD-1, that accurately reflects the amounts of money collected and disbursed. As a part of her alleged agreement with co-defendant Mazie Jennings, a real estate speculator who was allegedly selling recently purchased houses at inflated prices, Blackwell collected no funds from the borrowers and falsely certified the HUD-1 settlement sheet.

Most of the loans went into default, resulting in losses in some cases to commercial lenders and, in the majority of cases, to HUD which had underwritten the loans through a FHA program. The government attributes a loss of \$247,000 to Blackwell for the 20 fraudulent real estate settlements she conducted during the course of the conspiracy.

Blackwell is the 99th person convicted in connection with the U.S. Attorney's effort, begun in 2000, to combat mortgage flipping that has plagued the Baltimore City housing market.

Judge Garbis scheduled sentencing for August 4, 2005. Blackwell faces a maximum sentence of 5 years imprisonment, a \$250,000 fine and 3 years of supervised release. The Court may also order restitution.

The case was investigated by the Department of Housing and Urban Development - Office of Inspector General and prosecuted by Assistant United States Attorney Stephen M. Schenning.