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FOR IMMEDIATE RELEASE**

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**THREE DEFENDANTS SENTENCED IN MORTGAGE FLIPPING SCHEME**

BALTIMORE, Maryland - United States Attorney for the District of Maryland Allen F. Loucks announces that on April 29, 2005 United States District Court Judge Andre M. Davis sentenced the following co-defendants in connection with a property flipping scheme devised by co-defendant Walter Hammond:

Frederic Leffler, age 50, of Howard County, Maryland to 37 months in prison, a special assessment of \$1,700 and restitution in an amount to be determined;

David Allen Uhrich, age 53, of Vienna, Virginia to 33 months in prison, special assessment of \$300 and restitution of \$81,951.99; and

Kelly Johnston Chase, age 38, of Columbia, Maryland, to 27 months in prison, special assessment of \$500 and restitution of \$58,362.16.

Each of the defendants' prison term is followed by 3 years of supervised release.

Hammond pled guilty two weeks into a six week trial in which a federal jury returned guilty verdicts on mail and wire fraud charges against co-defendants Uhrich, Johnston-Chase and Leffler. Hammond was sentenced on November 19, 2004 to 37 months in prison followed by 3 years of supervised release.

Trial evidence showed that from 1997 to early 2000, Hammond persuaded individuals to

purchase properties in Baltimore City by applying for mortgage loans. Through these borrowers, Hammond acquired control of some 200 inner city properties. Of those 200 properties, 150 settlements closed at a title company in which Johnston had an interest, or at Performance Title which Johnston solely owned. Johnston caused her title companies to close settlements for Hammond without the borrower producing the necessary funds according to the lenders' instructions. Leffler, the attorney for both title companies, helped Hammond overcome lender requirements that the seller have held title to property by six months or longer before the lender would make a mortgage loan and personally conducted closings in which Hammond produced the funds on behalf of the borrower. In addition, both Johnston and Leffler broke escrow to advance funds to Hammond so that he could purchase cashier's checks which purported to be from the buyer. Francis testified at trial that he had inflated the values of properties he appraised on behalf of Hammond. Hammond paid Uhrich to recruit borrowers from the northern Virginia area to take part in Hammond's scheme. In addition, the evidence showed that both Hammond and Uhrich lived in luxury homes during the scheme to defraud which were titled in the name of the same fictitious person. When the borrowers defaulted on the 200 mortgages, the lenders lost the value of their loan, and the properties could not be sold to cover the loan amount. Some lenders did not foreclose on their loans because the property would not support the costs of foreclosure. With respect to the 200 houses involved in the scheme, mortgage lenders suffered losses of \$4 million.

Since 2000, when the U.S. Attorney's Office began its efforts to combat property flipping and the devastating effects on the community of abandoned and derelict properties, the Office has prosecuted 100 defendants. 98 defendants have been convicted, 5 defendants' cases are pending, and 4 defendants have been acquitted or the charges have been dismissed.

The criminal charges in this indictment are the result of a joint investigation by the Federal Bureau of Investigation and the United States Attorney's Office. The case was prosecuted by Assistant U.S. Attorneys Joyce K. McDonald and Stephen M. Schenning.