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PAIR PLEAD GUILTY IN PREDATORY LENDING SCHEME

United States Attorney Mary Beth Buchanan and Pennsylvania Attorney General Gerry Pappert announced today, April 26, 2004, that William T. McKee, a resident of Pittsburgh, Allegheny County, Pennsylvania, and Terry A. Boring, a resident of Cheswick, Allegheny County, Pennsylvania, pleaded guilty in federal court to charges of conspiracy, mail fraud and false representations to a government agency. Boring also pled guilty to income tax evasion.

McKee, age 51, who resides at 245 Sheryl Lane, Pittsburgh, Pennsylvania 15221 pleaded guilty to four counts before Senior United States District Judge Maurice B. Cohill.

Boring, age 54, who resides at 246 Alpine Village Drive, Cheswick, Pennsylvania 15024 pleaded guilty to five counts before Senior United States District Judge Maurice B. Cohill.

In connection with the guilty plea, Assistant United States Attorney Dennis P. Kissane and Pennsylvania Deputy Attorney General Margaret M. Cassidy advised the court that from June, 1993 through November, 2003, McKee and Boring operated home remodeling businesses under the names Zintron, Patrome Construction, and

others, in which mortgage loans were routinely obtained by them for homeowners in order to pay for remodeling contracts. McKee and Boring defrauded banks and private lending companies by falsifying employment, income, insurance, and other information which they provided to the banks and lenders in order to make the homeowners appear qualified for loans when, in fact, they were not. Homeowners frequently thereafter found themselves facing loan payments which they could not make, and which resulted in foreclosures and loss by the homeowners of their homes.

Boring and McKee also pled guilty to making false representations to and defrauding the United States Department of Housing and Urban Development (HUD) by applying for FHA Title I Property Improvement Loan Insurance on behalf of homeowners, which required HUD to repay lenders when defaults on loans by homeowners occurred.

"Predatory lenders are aggressive and dishonest, and often target people in financial need, especially those who may have fallen behind on taxes, need money for medical bills, or face costly home repairs," said Ms. Buchanan. "The best way to avoid becoming a victim of unscrupulous mortgage brokers, like Boring and McKee, is to equip yourself with information from reputable sources and make sure you understand the type of financing being offered before you sign on the dotted line."

Judge Cohill scheduled sentencing in Boring's case for August 5, 2004, at 9:30 a.m. and scheduled sentencing in McKee's case for August 5, 2004, at 10:30 a.m. The law provides for a total sentence on all counts in McKee's case of not more than 70

years in prison, a fine of not more than \$2,500,000, or both. In Boring's case the law provides for a total sentence on all counts of not more than 75 years in prison, a fine of not more than \$2,750,000, or both. Under the Federal Sentencing Guidelines, the actual sentence imposed is based upon the seriousness of the offenses and the criminal history, if any, of the defendants.

The investigation which led to the prosecution of McKee and Boring was a joint investigation conducted by the United States Postal Inspection Service, the Internal Revenue Service - Criminal Investigation, and the Office of Inspector General of the United States Department of Housing and Urban Development.

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