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PRESS RELEASE

June 30, 2003

**MORTGAGE BROKER ALLAN PETERS
SENTENCED TO 48 MONTHS IN PRISON
IN AMICO CASE**

UNITED STATES v. ALLAN PETERS

United States Attorney Michael A. Battle announced today that Allan Peters, age 50, of 206 Edgemere Drive, New York, was sentenced by Hon. Charles J. Siragusa, United States District Judge, to 48 months in prison in connection with his guilty pleas in the Amico case. Specifically, Peters was sentenced in connection with his guilty pleas on November 29, 2001, to Count 48 of Second Superceding Indictment #00-CR-6155 filed on October 19, 2001, charging him with mortgage fraud in violation of 18 U.S.C. §1014, which carried a maximum sentence of 30 years imprisonment, a \$1,000,000 fine, or both, and Count 93 with filing a false federal income tax return in violation of 26 U.S.C. §7206(1), which carried a maximum sentence of 3 years imprisonment, a \$250,000 fine, or both.

Allan Peters also was sentenced in connection with his guilty plea on November 29, 2001, to a felony information charging him with student loan fraud in violation of 18 U.S.C. §1341, which carried a maximum sentence of 5 years imprisonment, a \$250,000 fine, or both.

Assistant U.S. Attorney Richard A. Resnick, who handled the case, stated that Allan Peters was the manager and owner of MFC Mortgage Company, formerly a mortgage broker in Rochester, New York. From 1998 through 1999, MFC Mortgage Company was the mortgage broker for numerous individuals who obtained mortgage loans in connection with their purchase of homes built and sold by the Amicos. MFC Mortgage Company prepared and completed the mortgage loan application packages for the purchasers and submitted these documents to the various lenders to obtain mortgage loans for the purchasers.

In his plea agreement, Peters admitted that when submitting the completed mortgage applications and supporting documentation for many of the Amico loan purchasers to the banks and lenders, he and others at MFC misled the lenders into believing that a representative of MFC had personally interviewed the purchasers, and obtained the property appraisal from the appraiser, when MFC had not. Peters also admitted that MFC also misled the banks and lenders into believing that many of the purchasers were purchasing the homes as their primary residence, and MFC intentionally omitted from the banks and lenders that many of the purchasers had previously purchased other homes and obtained substantial mortgage loans for such homes.

With respect to the other Amico loans for which Peters had been indicted, the total loss to the various banks and lenders from such loans was over \$4,500,000.

Assistant U.S. Attorney Richard A. Resnick further stated that Peters admitted that he had filed a false federal income tax return for the year 1999 by the failing to report income he received from MFC Mortgage Company. The tax loss to the government is estimated to be more than \$260,000 for the years 1997 through 1999.

Peters also admitted that from March 1998 to September 2001, he executed a scheme to defraud the United States, the State of New York, Curry College in Milton, Massachusetts, Franklin Pierce College in Rindge, New Hampshire, and St. Bonaventure University in St. Bonaventure, New York, in connection with college grants received by two of his children. Specifically, Peters caused false financial aid applications to be submitted to the United States, the State of New York, and the colleges identified above. These applications falsely represented the defendant's marital status, adjusted gross income, and assets and liabilities. Based on these false applications, Peters' two children received numerous college grants from the United States, the State of New York, and the colleges themselves. The total amount of the fraudulent grants was more than \$30,000.

The conviction was the culmination of an investigation by the Federal Bureau of Investigation under the direction of Special Agent in Charge Peter J. Ahearn, and the Internal Revenue Service under the direction of Special Agent in Charge Stephen Pregozen, Criminal Investigation Division.