



Department of Justice

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ATTORNEY SENTENCED TO ALMOST 5 YEARS IN FEDERAL PRISON FOR ROLE IN MORTGAGE FRAUD SCHEME

Atlanta, GA - MARY REAGAN, 41, of Alpharetta, Georgia, was sentenced today to serve almost 5 years in federal prison for her role in a multi-million dollar mortgage fraud scheme. REAGAN pleaded guilty in July 2008 shortly before she was to go to trial, and agreed to assist the government in the prosecution of the scheme.

United States Attorney David E. Nahmias said, "As is unfortunately true of many mortgage fraud schemes that we have seen, this case involves an attorney who should have known and done better. This prosecution serves as another warning to closing attorneys and others in positions of trust in the real estate industry. If you become involved in mortgage fraud, you will not just lose your license, you may end up in a federal prison."

REAGAN was sentenced to 4 years, 9 months in federal prison, to be followed by 5 years of supervised release. REAGAN was also ordered to pay full restitution of over \$4,000,000 and an exact amount will be determined by the court at a later date.

According to United States Attorney Nahmias and information presented in court: From mid-2004 through June 2006, REAGAN was an attorney, doing business as The Reagan Law Group, closing millions of dollars of fraudulently inflated mortgage loans being provided to unqualified straw buyers. REAGAN was the attorney responsible for representing the mortgage lenders at the closing table. When the loans closed, REAGAN instead transferred millions of dollars of the inflated loan proceeds to her co-conspirators by falsifying closing documents, such as the HUD-1 settlement statements, and concealing from the lenders the true recipients and purposes of payments made in connection with the closing.

REAGAN also concealed from the lenders that the unqualified straw buyers did not make sizeable down payments required by lenders as a condition of closing. On one property, at 11795 King Road in Roswell, Georgia, REAGAN falsified title work and other documents to conceal from a lender that the property was already encumbered by two mortgages at an inflated price, ensuring that the lender's security interest in the property was worthless.

This case was investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorneys Doug Gilfillan and Barbara E. Nelan prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.