



Department of Justice

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FORMER BRANCH MANAGER AND WIFE SENTENCED TO FEDERAL PRISON FOR MORTGAGE AND BANKRUPTCY FRAUD

Fraudsters convicted of using stolen identities to obtain mortgage and other loans and filing bankruptcy petitions to retain fraud assets

Atlanta, GA - CARL F. HAIRSTON, 32, and JANICE REENA HAIRSTON, a/k/a "Cheryl Owens," 38, of Roswell, GA, were sentenced today by United States District Judge Charles A. Pannell, Jr. on charges of bank fraud and conspiracy to commit mortgage fraud, bankruptcy fraud, identity theft, money laundering and obstruction of justice.

"The Hairstons' case was aggravated because they continued their fraud both after indictment and while awaiting sentence by filing multiple fraudulent bankruptcy petitions to retain fraud assets and by defrauding additional victims," said United States Attorney David E. Nahmias. "This was an attack on the lawful functions of the United States Bankruptcy Court, and it is indicative of some of the bold criminal actions still taking place within the epidemic of mortgage fraud."

CARL and JANICE HAIRSTON were both sentenced to 9 years in prison to be followed by 5 years of supervised release, and ordered not to be employed in any mortgage related business. They were also ordered to pay restitution of \$416,652. The HAIRSTONS were convicted of these charges on February 3, 2006.

According to United States Attorney Nahmias and the information presented in court: Between July 2000 and January 2006, the HAIRSTONS obtained mortgage and other loans from First Horizon Money Center, a subsidiary of First Tennessee Bank, where CARL HAIRSTON was then branch manager, and from other banks. JANICE HAIRSTON laundered the loan proceeds through a series of shell companies. The HAIRSTONS also obtained a \$615,000 fraudulent mortgage loan to purchase their personal residence and attempted to protect these fraudulently obtained assets by filing multiple fraudulent bankruptcy petitions.

This case is being investigated by Special Agents of the FBI.

Assistant United States Attorney Gale McKenzie 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.