



# Department of Justice

United States Attorney David E. Nahmias  
Northern District of Georgia

FOR IMMEDIATE RELEASE

08/24/07

<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

## **MORTGAGE FRAUD RINGLEADER SENTENCED TO PRISON**

Atlanta, GA - NATHAN PARKER, 49, of Philadelphia, Pennsylvania, the ringleader of a \$4 million mortgage fraud scheme, was sentenced today to serve 9 years, 7 months in federal prison by United States District Judge Orinda D. Evans on charges of conspiracy to commit mortgage fraud and mail fraud.

“This case again demonstrates how mortgage fraud has seriously damaged communities in the Atlanta metropolitan area, while also stealing from lending institutions,” said United States Attorney David E. Nahmias. “Like Nathan Parker, professionals and others who engage in such criminal conduct may find themselves prosecuted, convicted, and serving significant sentences in federal prison.”

PARKER was sentenced to serve 9 years, 7 months in federal prison, pay restitution of \$2.453 million, and serve 5 years of supervised release.

PARKER was indicted in October 2005, and pleaded guilty to the charges in April 2007. PARKER’S plea required that he make full restitution to the victim lenders.

According to United States Attorney Nahmias and the information presented in court: PARKER, a mortgage broker, was the ringleader of a scheme which defrauded various commercial lenders and financial institutions of more than \$4,000,000 relating to more than 20 properties. A number of people participated in the scheme, including real estate appraisers, closing attorneys, straw purchasers, straw sellers, investors, loan processors, and insiders at various verifying agencies and lenders. PARKER owned and otherwise obtained run-down properties from low-income or high-crime neighborhoods in the Atlanta area that were on the verge of foreclosure or where the owner was otherwise in the market for a quick sale. PARKER co-opted real estate appraisers into highly inflating the market value of the properties. The appraisers also falsified the sales prices and size of so-called “comps” (comparable) properties in their appraisal reports. At least in one instance, an appraiser provided the down payment for a real estate transaction. PARKER and others caused false mortgages to be created and recorded to corroborate the inflated appraisal prices.

Evidence presented at trial showed that PARKER also recruited straw purchasers,

causing their credit to be falsely enhanced, and inducing them to sign and submit documents containing false qualifying information. Loan applications falsely reflected that the “straw borrowers” wanted the property as their primary residence, because lenders charged a lower interest rate than for loans for investment purposes. The loan applications falsely reflected the source of the down payments as coming from the bank account of the straw purchaser. The loan applications attached false supporting documentation of employment, false earnings statements, deposits, employment, salaries, and assets and omitted mention of other mortgages. Straw sellers and straw borrowers also assumed stolen identities to fraudulently obtain mortgage loan proceeds. In many instances, at PARKER’s direction, insiders both at financial institutions and credit agencies falsely attested to the verification of deposits. At the lenders’ offices, these same insiders would give a cursory review of the mortgage applications that Parker put together. The evidence also showed that PARKER and other co-conspirators provided the down payments or earnest money payments and often paid the first few mortgage payments, giving the straw purchasers kickbacks as well as money to run through their checking accounts to make the initial payments, thereby lulling the lenders into believing the transactions were legitimate.

At the real estate closings, the sellers, buyers and closing attorneys falsely certified on closing statements the source and existence of the down payments. PARKER and his cohorts also falsely represented on the closing statements fictitious second mortgages or other fictitious debts to disguise payments to co-conspirators. Sometimes these false disbursements were disclosed to the lender. Often they were not. Such misstatements and omissions significantly misled lenders, who approved the fraudulent loans. Additionally, the closing attorney issued disbursement checks that differed from the disbursements that appeared on the settlement statement, which further lulled the lenders.

This case was investigated by Special Agents of the United States Secret Service.

Assistant United States Attorney David Leta 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](http://www.usdoj.gov/usao/gan)