



Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE

08/08/08

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

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

ORGANIZER IN PHILLIP HILL MORTGAGE FRAUD SCHEME SENTENCED TO ANOTHER 10 YEARS IN FEDERAL PRISON

Graham Continued Mortgage Fraud From Jail Phone While Awaiting Sentencing

Atlanta, GA - RILEY GRAHAM, a/k/a "Riley Williams," 42, of Detroit, Michigan, was sentenced today by United States District Judge Thomas W. Thrash to 10 years in federal prison for his participation in a mortgage fraud and money laundering scheme that targeted the Atlanta metro housing market in 2001 through 2002.

"The fraudulent schemes in which this defendant participated resulted in not only losses to lenders, but, more importantly, harm to neighborhoods and innocent homeowners," said United States Attorney David E. Nahmias. "This sentence reflects the seriousness of these crimes."

IRS-Criminal Investigation Special Agent in Charge Reginael D. McDaniel said, "It is our hope that today's sentencing of Mr. Graham sends a deterrent message that tampering with our nation's banking and mortgage industries for one's personal financial gain can result in serious jail time."

GRAHAM was sentenced to 10 years in prison to be followed by 3 years of supervised release, and ordered to pay restitution in the amount of \$670,000. GRAHAM was convicted on charges of conspiracy, mail fraud, wire fraud and money laundering on February 13, 2008, after a jury trial which lasted one week.

According to United States Attorney Nahmias and the information presented in court: RILEY GRAHAM, aided by his partner Marcus Alcindor, fraudulently obtained a \$1.3 million loan in the name of the "Alcindor-Williams Group LLC" for the purchase of residential lots owned by Phillip Hill located in the 4001 Cascade subdivision in Atlanta. In addition, GRAHAM and Alcindor assisted Phillip Hill in the sale of houses in the 4001 Cascade subdivision. Each of these

houses was sold at an inflated price to a “straw purchaser” who applied for a mortgage loan based upon the inflated price. Such a fraudulent transaction is called a mortgage “flip.” The straw purchasers who participated in these mortgage flips were paid a kick-back out of the excess loan proceeds for the use of their name and credit. The victim lenders granted the loans based upon numerous false representations and documents regarding the credit qualifications of the straw purchaser, as well as false representations that the straw purchaser had paid a down payment, would reside in the home, and would be responsible for the loan payment. In addition, the lenders were induced to make the loans based on fraudulently inflated appraisals.

Evidence was presented in court that after the Cascade property transactions, GRAHAM participated in a similar scheme in the Bear Creek golf subdivision in Douglas County. In July 2003, while still operating in the Cascade and Bear Creek subdivisions, GRAHAM was arrested on federal charges filed in the Eastern District of Michigan for participating in a major drug enterprise. Prior to being returned to the Northern District of Georgia for trial, GRAHAM pled guilty and was sentenced to serve twenty years in the Michigan drug case. The court also heard evidence today that while GRAHAM was in jail awaiting sentencing in the present case, he continued to contact his associates in an effort to obtain more fraudulent loans.

Co-defendants who went to trial prior to GRAHAM’S conviction and were also found guilty of multiple felony charges include: PHILLIP E. HILL, 51, of Sumatra, Florida, convicted of conspiracy, loan fraud, mail and wire fraud, and money laundering; MARCUS ALCINDOR, a/k/a “Christopher Alcindor,” 42, of St. Lucia, convicted of conspiracy, loan fraud, mail and wire fraud, and money laundering; BARBARA BROWN, f/k/a “Barbara Eubanks,” 34, of Marietta, Georgia, convicted of conspiracy, loan fraud, mail and wire fraud, and money laundering; FRED FARMER, 59, of Roswell, Georgia, convicted of conspiracy, loan fraud, mail and wire fraud, and money laundering; CHRISTINE LAUDERMILL, 40, convicted of conspiracy, loan fraud, wire fraud, and money laundering; ROBERT POWERS, 45, of Cumming, Georgia, convicted of conspiracy, loan fraud, mail and wire fraud, and money laundering; DAVID THOMAS, 46, of Hammond, Louisiana, convicted of conspiracy, loan fraud, and money laundering; DEAN THOMAS, 42, of Atlanta, Georgia, convicted of conspiracy, and money laundering and DAVID VAN MERSBERGEN, 46, of Atlanta, Georgia, convicted of conspiracy, loan fraud, and money laundering.

In addition to the defendants found guilty at trial, several other individuals pled guilty to mortgage fraud charges related to the same scheme before trial. These defendants include: WILLIAM CHAVIS, 45, of Atlanta, Georgia; MICHAEL

FLAKE, 31, of Stone Mountain, Georgia; WESLEY GOLDEN, 57, of Atlanta, Georgia; CHRISTOPHER HALCOMB, 45, of Cummings, Georgia; CORTNEY JACKSON, 49, of Detroit, Michigan; WAYNE JENKINS, 49, of Atlanta, Georgia; RASHID MUHAMMAD, 36, of Syracuse, New York; JULIAN PEREZ, a/k/a "Tony Perez," 49, of Roswell, Georgia; BRANT PETREE, 23, OF Marietta, Georgia; THEODORE TAGALAKIS, 36, of Atlanta, Georgia; and ANDREW WOLF, 45, of Alpharetta, Georgia.

This case was investigated by Special Agents of the Internal Revenue Service, Criminal Investigation.

Assistant United States Attorney Barbara Nelan and Special Assistant United States Attorney Richard Reed 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.