



U.S. Department of Justice

**Ronald C. Machen Jr.**  
*United States Attorney for the  
District of Columbia*

*Judiciary Center  
555 Fourth St. N.W.  
Washington, D.C. 20530*

---

## **PRESS RELEASE**

---

**FOR IMMEDIATE RELEASE**

Friday, March 2, 2012

**For Information Contact:**

**Public Affairs**

(202) 252-6933

<http://www.justice.gov/usao/dc/index.html>

### **Former Real Estate Appraiser Sentenced to 65-Month Prison Term And Ordered to Pay Restitution For Mortgage Fraud - Scam Targeted Homes For Quick Resale at Fraudulently Inflated Prices -**

WASHINGTON - Renaldo D. Gillis, 44, of Lithonia, Georgia, a licensed real estate appraiser, was sentenced today to 65 months of incarceration and ordered to pay restitution and forfeiture for leading a mortgage fraud scheme that cost lenders more than \$2.3 million.

The sentencing, in the U.S. District Court for the District of Columbia, was announced by U.S. Attorney Ronald C. Machen Jr.; Daniel S. Cortez, Inspector in Charge of the Washington Division of the U.S. Postal Inspection Service; Kenneth R. Taylor Jr., Special Agent in Charge, Office of the Inspector General of the U.S. Department of Housing and Urban Development, and William P. White, Commissioner of the District of Columbia Department of Insurance, Securities and Banking.

Gillis pled guilty in May 2011 to one count of conspiracy to commit bank, mail and wire fraud and one count of bank fraud. He was sentenced by the Honorable Rosemary M. Collyer. The judge ordered Gillis to pay \$1,890,370 in restitution and entered a forfeiture order against him for \$1,091,287. Upon completion of his prison term, Gillis will be placed on three years of supervised release.

According to the government's evidence, from at least September 2003 to November 2009, Gillis, a purported real estate investor, joined with other co-conspirators to target Washington, D.C. area homes for quick resales, called "flips," at fraudulently inflated prices. Gillis, who owned, operated and controlled at least two companies - Market Watch, LLC and Investment 2000 Corporation - purchased and sold numerous residential properties, recruiting his friends and family members to serve as "straw buyers" in the scheme. These straw buyers agreed to have the properties placed in their names, but did not have to pay any down payments or the mortgages.

Gillis and the others obtained excessive mortgage loans on the properties through fraudulent loan applications, false appraisals, and fraudulent settlements. These sales generated

large cash proceeds, which Gillis and the other co-conspirators shared among themselves.

The loans fraudulently procured by Gillis and others from mortgage lenders exceeded \$13 million. At least 11 properties fell into foreclosure, with a loss to lenders of more than \$2.3 million. The mortgage fraud scheme netted Gillis and others more than \$1 million in profits.

A co-defendant, Afolasade B. Orekoya, 41, of Washington, D.C., was sentenced in November 2011 to nine months in prison after earlier pleading guilty to charges of conspiracy and bank fraud. In addition to the prison term, Orekoya must pay \$2,305,572 in restitution, serve five years of supervised release, and forfeit \$1,091,287 in a money judgment.

According to the government's evidence, Orekoya was a licensed real estate agent and worked as an independent loan processor for various mortgage brokers, including Century Finance Funding, LLC and BancStar on Capitol Hill, LLC.

This case was pursued as part of Operation Stolen Dreams, a nationwide sweep that targeted mortgage fraudsters in the largest collective enforcement ever launched to confront mortgage fraud. The operation was organized by the Mortgage Fraud Working Group of President Obama's interagency Financial Fraud Enforcement Task Force.

In announcing the sentence, U.S. Attorney Machen, Inspector in Charge Cortez, Special Agent in Charge Taylor, and Commissioner White commended the work of those who investigated the matter, including Special Agents from the U.S. Postal Inspection Service and HUD-OIG, as well as the investigators from the District of Columbia's Department of Insurance, Securities and Banking.

They also cited the efforts of those who worked on the case from the U.S. Attorney's Office, including Paralegal Specialists Diane Hayes and Krishawn Graham, Assistant U.S. Attorney John Borchert, who investigated the case, and Assistant U.S. Attorney Diane Lucas of the office's Asset Forfeiture and Money Laundering Section. Finally, they acknowledged the work of Assistant U.S. Attorney Lionel Andre, who is prosecuting the case.