



U.S. Department of Justice

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PRESS RELEASE

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District Man Pleads Guilty in Mortgage Fraud Scheme

–Defendant Admits Obtaining \$2.4 million as a Result of the Fraud–

WASHINGTON - Akinola George, 41, of Washington, D.C., pled guilty today to conspiracy to commit bank fraud and mail fraud for his role in a mortgage fraud scheme.

The guilty plea, 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, Washington Division, U.S. Postal Inspection Service, Kenneth R. Taylor, Special Agent in Charge of the Office of Inspector General of the U.S. Department of Housing and Urban Development, and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

George entered his guilty plea to the charge before the Honorable Reggie B. Walton. He also agreed to forfeiture of \$2.4 million, and is to be sentenced on December 9, 2011. Under federal sentencing guidelines, he faces a recommended sentence between 27 and 41 months in prison, along with restitution, a fine, and other conditions.

According to the statement of offense, signed by the defendant, from October 2004 to April 2008, George, with the assistance of others, defrauded banks and other lenders of money through false statements and misrepresentations. George used about 22 sales of residential real estate properties (all but two sales were for property in the District of Columbia) to fraudulently obtain mortgage loans. Loan documents in support of these mortgages listed false employers and false salaries for the buyers, exaggerated the assets available to the buyers to pay back the loans and make a cash contribution, and incorrectly listed the buyers' intent to occupy the houses.

During the settlement of the sales transactions, thousands of lender dollars were siphoned off through fake "renovation" invoices and misrepresentations on the settlement documents. Through this process, George, fraudulently obtained approximately \$2.4 million, even though he was not the seller on any of the properties. George used some of this money to pay for the assistance of others in the conspiracy, to share with other co-conspirators, and to pay for bogus "down payments" for the buyers, as well as other items. For many properties in the District of Columbia, a co-conspirator acting as the settlement agent submitted the signed Deed or Deed of Trust to the District of Columbia's Recorder of Deeds, with the instructions that after

recording, the documents be mailed back to the title company, which did occur. After closing, the co-conspirators failed to continue to pay the mortgages on some of the properties. The lenders were forced to foreclose and resell the properties at a loss.

In announcing the plea, U.S. Attorney Machen, Inspector in Charge Cortez, Special Agent in Charge Taylor, and Assistant Director McJunkin commended the efforts of those who worked on the case from the Postal Inspection Service, the Office of Inspector General of the Department of Housing and Urban Development, the Metropolitan Police Department, and the FBI's Washington Field Office, as well as the District of Columbia Department of Insurance, Securities, and Banking. They also praised those who worked on the case from the U.S. Attorney's Office, including Forensic Accountant Crystal Boodoo, Paralegal Specialist Sarah Reis, Assistant U.S. Attorney Diane Lucas, who assisted in forfeiture, and Assistant U.S. Attorney Virginia Cheatham, who is prosecuting the case.

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