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PRESS RELEASE

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Former Loan Processor Sentenced to Nine-Month Prison Term And Ordered to Pay \$2.3 Million in Restitution For Mortgage Fraud - Scam Targeted Homes for Quick Resale at Fraudulently Inflated Prices -

WASHINGTON - Afolasade B. Orekoya, 41, of Washington, D.C., has been sentenced to nine months of incarceration and ordered to pay restitution and a money judgment for her role in a mortgage fraud scheme that cost victims 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; John P. McCarty, Acting Deputy 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.

Orekoya entered her guilty plea in September 2010 to charges of conspiracy and bank fraud. She was sentenced on November 9, 2011 by the Honorable Rosemary M. Collyer. In addition to the prison term, the judge ordered the defendant to pay \$2,305,572 in restitution, to serve five years of supervised release, and to 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. As an independent loan processor, she was responsible for preparing and processing mortgage loan applications and related paperwork in order to qualify buyers for residential mortgage loans from various banks and lending institutions.

From at least September 2003 to November 2009, Orekoya and other co-conspirators targeted Washington, D.C. area homes for quick resales, called "flips," at fraudulently inflated prices. The co-conspirators recruited friends, relatives and their associates to act as "straw buyers." These straw buyers agreed to have the property placed in their names, but did not have

to pay any down payments or the mortgages. The straw buyers submitted loan applications to Orekoya. She then inputted false information on the loan applications, and later submitted the false paperwork to mortgage lenders, including banks.

These loan applications falsely listed the straw buyers' assets, such as real estate owned and earnest money deposits, and falsely stated other information, such as salary, marital status, and intention to live in the properties. In addition, the loan applications were accompanied by appraisals that falsely reported the conditions and value of the properties. Many of the appraisals claimed that "the subject property has a new roof, windows, new kitchen, bathrooms, new floor," or that "the subject property has been recently renovated and has a modern kitchen."

In reality, the properties were often in poor condition. The mortgage fraud scheme netted Orekoya and her co-conspirators more than \$1 million in profits and caused the lending institutions to lose over \$2.3 million.

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, Deputy Inspector General McCarty and Commissioner White commended the work of those who investigated the matter, including Special Agents at HUD-OIG, the Postal Inspectors, and 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.

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