



Department of Justice

United States Attorney Sally Quillian Yates
Northern District of Georgia

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CONTACT: John Horn

(404)581-6056

FAX (404)581-6160

ATLANTA MAN SENTENCED TO PRISON FOR FRAUD RELATED TO FAILED OMNI NATIONAL BANK

Defendant Used Stolen Identities for Short Sale "Buyers" When He Sought Forgiveness of \$2.2 Million in Loans

ATLANTA, GA - BRENT MERRIELL, 38, of Atlanta, Georgia, was sentenced today by United States District Judge Jack T. Camp to federal prison on charges of making false statements to the Federal Deposit Insurance Corporation (FDIC) and aggravated identity theft.

"The FDIC serves a critical role by insuring the assets of hard-working Americans. Mr. Merriell used stolen identities, created fictitious buyers, and negotiated phony short sale deals for properties, all in an effort to defraud FDIC of millions of dollars he owed on mortgages," said United States Attorney Sally Quillian Yates. "This double fraud has landed him in federal prison."

MERRIELL was sentenced to 3 years, 3 months in prison to be followed by 5 years of supervised release. MERRIELL was convicted of these charges on March 23, 2010, upon his plea of guilty.

According to United States Attorney Yates, the charges and other information presented in court: MERRIELL obtained millions of dollars in loans from Omni National Bank as mortgages on numerous properties. Omni later failed and was taken over by the FDIC. Beginning in October 2009, MERRIELL faced foreclosure on 14 different properties subject to Omni mortgages. In response, MERRIELL asked the FDIC to forgive \$2.2 million in loan payments and instead allow him to "short sell" the properties to seven new purchasers at significantly reduced amounts. The seven new purchasers, however, were phony: the seven names MERRIELL presented to the FDIC were, in fact, stolen identities whose names were forged on sales contracts and counterfeit loan commitment letters. Under this scheme, if law enforcement had not intervened, Merriell would have retained control of the properties, and could then rent them for amounts in excess of the substantially reduced mortgage payment, or resell them at a profit.

A “short sale” occurs when a lender such as Omni Bank agrees to the sale of property — on which the current owner has defaulted — to a third party for less than the full amount due on the loan. Lenders are willing to accept “short sales” as a means of mitigating their losses on troubled loans. The MERRIELL “short sale” fraud was discovered through a sting operation conducted by the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) with the assistance of the FDIC.

Other Omni-related prosecutions to date include:

1. JEFFREY L. LEVINE, 68, of Atlanta, Georgia, who pleaded guilty on January 14, 2010, to causing materially false entries that overvalued bank assets to be made in the books, reports, and statements of Omni, is scheduled to be sentenced on September 14, 2010, at 2:00 p.m., before United States District Judge Jack T. Camp.
2. DELROY OLIVER DAVY, 37, of Lithonia, Georgia, who pleaded guilty on May 11, 2010, to bank fraud and conspiracy to commit bank fraud, mail and wire fraud in connection with a scheme to fraudulently obtain millions of dollars of mortgage loans from Omni and other lenders, is scheduled to be sentenced on September 14, 2010, before United States District Judge Jack T. Camp.
3. CHRISTOPHER BERNARD LOVING, 32, of McDonough, Georgia, who pleaded guilty on June 24, 2010, to making false statements to agents of the Office of the Special Inspector General for the Troubled Asset Relief Program and the FDIC in connection with an investigation regarding Omni construction contracts, is scheduled to be sentenced on August 24, 2010, before United States District Judge Jack T. Camp.
4. MARK ANTHONY MCBRIDE, 44, of East Point Georgia, was sentenced on April 1, 2010, to over 16 years in prison for obtaining fraudulent loans from many lenders, including Omni.

This investigation is part of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate

financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

This case was investigated by Special Agents of a Mortgage Fraud Task Force formed for Omni-related cases, made up of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), Housing and Urban Development Office of Inspector General (HUD-OIG), the United States Postal Inspection Service, the Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG), and the Federal Bureau of Investigation. The Task Force is continuing to investigate a number of Omni-related matters.

Assistant United States Attorneys Gale McKenzie and Christopher Bly prosecuted the case.

For further information please contact Sally Q. Yates, United States Attorney, or John Horn, First Assistant United States Attorney, through Linda Isaac, U.S. Attorney's Office, at (404) 581-6056. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.justice.gov/usao/gan.