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**BALTIMORE MAN INDICTED IN MORTGAGE FRAUD SCHEME ALLEGEDLY
RESULTING IN OVER \$2.5 MILLION IN LOSSES FROM
FRAUDULENTLY OBTAINED LOANS**

Baltimore, Maryland - A federal grand jury indicted Joshua S. Goldberg today on charges of conspiracy to commit and committing wire fraud in connection with a mortgage fraud scheme in which fraudulent loans were obtained on at least five properties.

The indictment was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation; Inspector General Steve A. Linick of the Federal Housing Finance Agency Office of Inspector General; and Postal Inspector in Charge Gary R. Barksdale of the U.S. Postal Inspection Service - Washington Division.

According to three-count indictment, from 2004 through 2008, Goldberg controlled Worthington Mortgage Group, LLC, a mortgage brokerage company which operated from offices on Gough Street in Baltimore. The indictment alleges that beginning in 2004, Goldberg conspired with Kenneth Koehler, a former business partner, David Christian, a licensed appraiser, and others, to obtain loans for Worthington Mortgage clients, including the co-conspirators, by submitting false and misleading appraisals, false bank account information, fictitious employment information and false monthly income figures. The indictment alleges that the scheme resulted in multiple loan defaults, foreclosures and loan losses to mortgage companies and financial institutions of more than \$2.5 million.

Specifically, the indictment alleges that Goldberg arranged with Koehler to falsely verify the employment or income information supplied on the loan application, if called upon by the lender. Goldberg also arranged for Christian to provide false and misleading appraisals by telling Christian the dollar value to place on a property and to change the appraisal if it was too low, as well as to misrepresent the condition and physical characteristics of the property. In addition, Goldberg had Koehler, who was selling three of his properties to other co-conspirators, conceal the true purchase price of properties from the lenders, by signing the HUD-1 stating that he had received a substantial down payment from the buyers, when in fact no such payments had occurred and by kicking back part of the sales proceeds from each loan to the buyers. By

concealing the true sales price for the properties, the conspirators manipulated the lenders into funding more than 100% of the purchase price, which exposed the lenders to a greater risk of loss than they anticipated.

Goldberg faces a maximum sentence of 30 years in prison and a fine of \$1 million for the conspiracy and for wire fraud affecting a financial institution. Goldberg is believed to be a fugitive.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

Kenneth Koehler, age 42, of Baltimore, and David C. Christian, age 62, of Catonsville, Maryland, each previously pleaded guilty to conspiracy to commit wire fraud and are awaiting sentencing.

The Maryland Mortgage Fraud Task Force was established to unify the agencies that regulate and investigate mortgage fraud and promote the early detection, identification, prevention and prosecution of mortgage fraud schemes. This case, as well as other cases brought by members of the Task Force, demonstrates the commitment of law enforcement agencies to protect consumers from fraud and promote the integrity of the credit markets. Information about mortgage fraud prosecutions is available www.justice.gov/usao/md/Mortgage-Fraud/index.html.

Today's announcement is part of efforts underway by President Obama's Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

United States Attorney Rod J. Rosenstein commended the FBI, Federal Housing Finance Agency - Office of Inspector General, and U.S. Postal Inspection Service. Mr. Rosenstein thanked Assistant U.S. Attorney Gregory R. Bockin, who is prosecuting the case.