

NEWS RELEASE

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FOR IMMEDIATE RELEASE

Seven Wichitans Charged With Mortgage Fraud

WICHITA, KAN. – Seven people in Wichita have been charged in a federal mortgage fraud case, U.S. Attorney Barry Grissom said today.

An indictment unsealed here today alleges the scheme involved straw buyers and straw sellers, false loan applications and false supporting documentation submitted to lenders. Victims of the fraud included numerous banks, the Federal Housing Administration, the Federal Deposit Insurance Corporation (FDIC), the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac).

The following defendants were named in the indictment:

Manjur Alam, 45, Wichita, Kan., who is charged with one count of conspiracy, six counts of wire fraud, one count of bank fraud, one count of making a false statement to the Department of Housing and Urban Development and one count of money laundering.

Janice Young, 26, Wichita, Kan., who is charged with one count of conspiracy, one count of wire fraud and one count of making a false statement to HUD.

Bruce Dykes, 44, Wichita, Kan., who is charged with one count of conspiracy and two counts of wire fraud,

Christopher Ginyard, 27, Wichita, Kan., who is charged with one count of conspiracy and one count of wire fraud,

Henry Pearson, Sr., Wichita, Kan., who is charged with one count of conspiracy and one count of wire fraud.

Henry Pearson, Jr., 28, Wichita, Kan., who is charged with one count of conspiracy and one count of bank fraud.

Steven Pelz, who is charged with one count of conspiracy and one count of wire fraud.

The indictment alleges that Alam, whose realtor license had been suspended and who was on probation for a federal conviction, was the leader of the conspiracy. He used straw sellers to purchase homes and flip the properties to straw buyers. He recruited sellers from his homeland of Bangladesh. He lured the straw sellers with promises of quick and easy profits, while he recruited straw buyers with the prospect of using the houses as investments while promising them kickbacks.

The indictment also alleges:

- Alam guided each straw buyer through the purchase process, acting as the buyer and seller agent, even though his realtor license was suspended. He falsely represented his wife as the realtor.

- The defendants were unqualified to receive mortgage loans for the homes they bought and each of them made false statements in their loan applications.

- Alam caused false Verification of Employment information and false Verification of Rent information on straw buyers to be submitted to lenders.

- None of the straw buyers used the homes as their primary residence although each indicated in loan applications that the homes would be a primary residence.

- Alam and the straw buyers submitted false invoices for repairs to title companies for property improvements.

- The proceeds from the fraudulently obtained loans resulted in losses to lenders of more than \$221,000.

Upon conviction the crimes carry the following penalties:

Conspiracy: A maximum penalty of 20 years in federal prison and a fine up to \$250,000.

Wire fraud: A maximum penalty of 20 years and a fine up to \$250,000 on each count.

Bank fraud: A maximum penalty of 30 years and a fine up to \$250,000.

Making a false statement: A maximum penalty of five years and a fine up to \$250,000.

Money laundering: A maximum penalty of 10 years and a fine up to \$250,000.

Investigating agencies included the Internal Revenue Service, Housing and Urban Development - OIG, and the Federal Housing Financing Agency - OIG. Assistant U.S. Attorney Aaron Smith is prosecuting.

In all cases, defendants are presumed innocent until and unless proven guilty. The indictments merely contain allegations of criminal conduct

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