

THE UNITED STATES ATTORNEY'S OFFICE
NORTHERN DISTRICT *of* TEXAS

Department of Justice

U.S. Attorney's Office

Northern District of Texas

FOR IMMEDIATE RELEASE

Tuesday, August 9, 2016

Two Individuals Indicted on Tax and Mortgage Fraud Offenses

DALLAS — Special Agents with Internal Revenue Service (IRS) Criminal Investigation and the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG) arrested Chukwuma Jonas Osuagwu, 43, of Dallas, late Friday, August 5, 2016, on various tax and mortgage fraud offenses, announced U.S. Attorney John Parker of the Northern District of Texas.

Osuagwu appeared before U.S. Magistrate Judge Paul D. Stickney yesterday and was detained pending trial because of an immigration hold.

Osuagwu is charged along with codefendant, James W. Mitchell, 34, of Boston, in a 12-count indictment, unsealed this afternoon, with tax and mortgage fraud offenses. Each is charged with one count of conspiracy to commit bank fraud, and Osuagwu is charged with five, and Mitchell with two, substantive counts of bank fraud. Osuagwu is also charged with five counts of subscribing to a false and fraudulent individual income tax return and one count of corruptly endeavoring to obstruct and impede the due administration of IRS laws.

The indictment alleges that starting as early as September 2006 and continuing for more than a year, Osuagwu engaged in a series of fraudulent real estate transactions in which he either personally purchased or sold to one or more straw purchasers or co-conspirators, including Mitchell, three residential condominium units on Hood Street in Dallas. Osuagwu was able to personally purchase, or assist others in purchasing multiple residential condominium units only by submitting, or causing to be submitted on behalf of others, false, fraudulent and fictitious statements, documents and representations, such as false bank statements, employment letters, false IRS W-2 statements or false paystubs indicating the purchaser worked for Osuagwu's company, Inforation, Inc., to cause one or more financial institutions, including Bank of America, J.P. Morgan Chase Bank and Wells Fargo Bank, to issue a mortgage loan they otherwise would not have issued.

The indictment further alleges that during the July through November 2007 timeframe, Osuagwu and Mitchell together conspired to commit bank fraud in connection with mortgage loans on two of the condominium units.

Further, the indictment alleges that from September 2006 through April 2012, Osuagwu earned income through the purchase, sale and rental of multiple residential condominium units that he did not accurately disclose to the IRS on his tax returns. He also allegedly filed amended tax returns falsely reporting two dependents and claiming status as the Head of Household to maximize a fraudulent income tax return. Osuagwu, in fact, had no dependents and was ineligible to file as head of household.

The indictment further alleges that from approximately June 20, 2011, and continuing to approximately January 24, 2013, Osuagwu corruptly endeavored to obstruct and impede the due administration of the internal revenue laws by providing false, fictitious, and fraudulent documents and information to IRS employees.

An indictment is an accusation by a federal grand jury, and a defendant is entitled to the presumption of innocence unless proven guilty. However, if convicted, each count of bank fraud and the conspiracy to commit bank fraud count carry a maximum statutory penalty of 30 years in federal prison and a \$1 million fine. Each of the tax offenses, upon conviction, carry a maximum statutory penalty of three years in federal prison and a \$250,000 fine. Restitution may also be ordered. The indictment also includes a forfeiture allegation that would require the defendants, upon conviction, to forfeit any property that constitutes or was derived from proceeds traceable to the offense.

IRS Criminal Investigation and the FHFA-OIG led the investigation; Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) assisted.

Assistant U.S. Attorney J. Nicholas Bunch is in charge of the prosecution.

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