U.S. Department of Justice

United States Attorney
District of Maryland

Rod J. Rosenstein
United States Attorney

Vickie E. LeDuc
Public Information Officer

36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201

410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov

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Contact AUSA VICKIE E. LEDUC or
MARCIA MURPHY at (410) 209-4885

CONSPIRATOR INDICTED IN $3.9 MILLION FRAUD SCHEME

Allegedly Received $1.2 Million in Kickbacks for Using Straw Purchasers and False Financial Information to Buy Three Dozen Baltimore Row Houses

Baltimore, Maryland – A federal grand jury has indicted Alberic Okou Agodio, age 30, of Bethesda, Maryland, on charges arising from a mortgage fraud scheme in which he used the names of immigrants and students, along with false financial information, to obtain approximately $3.8 million in home mortgage loans to buy approximately three dozen row houses in Baltimore, all of which are in default or foreclosure. The indictment was returned on February 18, 2015 and unsealed today upon his arrest.

The indictment was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Deputy Inspector General for Investigations Rene Febles of the Federal Housing Finance Agency Office of Inspector General; Special Agent in Charge Cary A. Rubenstein of the U.S. Department of Housing and Urban Development Office of Inspector General; Special Agent in Charge Fran Mace, of the Federal Deposit Insurance Corporation Office of Inspector General; and Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation.

Agodio was the founder and principal employee of A&O Consulting, LLC, which provided accounting and business consulting services; and AORE Investments, Inc., which Agodio described as a real estate firm based in Bethesda, Maryland.

According to the 16 count indictment, from June 2009 to November 2010, Agodio persuaded approximately three dozen immigrants and students who lived in the Maryland suburbs of Washington, D.C. to purchase row houses in Baltimore under their names. None of these “straw purchasers” had any experience in real estate transactions, nor the funds needed to buy the properties. Agodio told each straw purchaser that he would prepare the loan application; manage the property after its purchase by finding renters, collecting the rent and paying the mortgage; and would pay the straw purchaser $7,000 to $8,000 after the transaction closed. He further promised to sell the property in three years and give the individual up to 80% of the sale proceeds. Agodio also paid thousands of dollars in additional commissions to those straw purchasers who referred other individuals to him as potential buyers for similar transactions.

The indictment further alleges that Agodio falsely represented in the loan applications the straw purchasers’ assets and in many cases, their earnings as well. Agodio provided the necessary funds for the down payment and the buyer’s share of the closing costs, causing the settlement statement form to inaccurately reflect that the down payments and closing costs had been paid by the straw purchasers.

Following the closings, Agodio allegedly retained the keys to each property, and assumed the responsibility for finding renters and making the required monthly mortgage payments. The named purchasers never lived in the properties. Agodio eventually allowed all of the mortgages to go into default.

During the course of this scheme, Agodio and his co-conspirators obtained approximately $3.8 million in home mortgage loans to buy the row houses. A co-conspirator who owned the row houses paid Agodio an undisclosed kickback from the proceeds he received from the title company on each transaction, totaling over $1.2 million. Agodio used these funds to reimburse himself for making the down payments and closings costs, to pay the promised amount to the straw purchasers and to keep a substantial commission for himself.

The indictment also alleges that a fire occurred at one of the row house properties purchased through a straw purchaser. He falsely identified himself as the straw purchaser to the insurance company in order to collect $106,500 in insurance paid for the repair the property.

The indictment seeks forfeiture of $3,925,841.

Agodio faces a maximum sentence of 30 years in prison for conspiring to commit wire fraud, on each of nine counts for wire fraud, and for mail fraud; 20 years in prison on each of three counts for money laundering; and a mandatory minimum of two years in prison consecutive to any other prison term on each of two counts for aggravated identity theft. Adogio had his initial appearance in federal court in Baltimore at 2:30 p.m. today.

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.

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 http://www.justice.gov/usao/md/priorities_financialfraud.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. Since the inception of FFETF in November 2009, the Justice Department has filed more than 12,841 financial fraud cases against nearly 18,737 defendants including nearly 3,500 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

United States Attorney Rod J. Rosenstein commended HUD- OIG, FDIC – OIG, FHFA - OIG and the FBI for their work in the investigation. Mr. Rosenstein thanked Assistant U.S. Attorney Jefferson M. Gray, who is prosecuting the case.