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TWO ATTORNEYS AMONG FOUR DEFENDANTS INDICTED IN TWO SEPARATE MORTGAGE FRAUD SCHEMES INVOLVING SOUTH SIDE PROPERTIES

CHICAGO — Two attorneys are among four defendants who have been indicted in two separate mortgage fraud cases, federal law enforcement officials announced today. In one case, an attorney, a real estate investor, and a loan originator were charged with allegedly participating in a scheme to fraudulently obtain at least five residential mortgage loans totaling approximately \$1.5 million from various lenders. In the second case, an attorney was charged with allegedly participating in a scheme to fraudulently obtain at least 12 residential mortgage loans totaling nearly \$3.75 million from various lenders.

Both indictments allege that the mortgages were obtained to finance the purchase of properties on Chicago's south side, stretching from the Back of the Yards to Englewood and West Englewood neighborhoods, at inflated prices by buyers who were fraudulently qualified for loans, or were being paid, while the defendants allegedly profited. As a result, various lenders and their successors incurred losses because the mortgages were not fully recovered through subsequent sale or foreclosure.

Three defendants were charged together in a five-count indictment that was unsealed on Friday following the arrest of STEVEN BARTLETT, 42, of Chicago, a part owner of SSB Re, Inc., also known as SSB Real Estate Solutions, Inc., through which Bartlett bought and sold residential properties in Chicago. Bartlett, ROBERT LATTAS, 36, of Oak Brook, an attorney who represented SSB Re in real estate closings, and NICHOLAS BURGE, 34, of Bloomington, Ill., a loan originator for two different lenders, were each charged with one count of mail fraud and four counts of wire fraud. The indictment seeks forfeiture of \$1,494,248.

Bartlett remains in custody pending a detention hearing at 10 a.m. tomorrow before U.S. Magistrate Judge Sheila Finnegan. Lattas and Burge were ordered to appear voluntarily for arraignment at 11:30 a.m. Thursday before Magistrate Judge Finnegan in U.S. District Court.

Between January 2008 and January 2009, Bartlett allegedly used SSB Re to sell properties at inflated sales prices to buyers that he knew were fraudulently qualified for mortgage loans. Bartlett and Burge prepared and submitted loan applications to lenders that they knew contained false information about buyers' qualifications, including information about buyers' income, assets, liabilities, employment, source of down payment, and intention to occupy properties as a primary residence, the indictment alleges.

Bartlett and Lattas allegedly prepared and submitted to lenders HUD-1 settlement statements that they knew contained false information, including the true source of the buyers' down payments. Lattas allegedly represented, or had his associates represent, SSB Re at closings in which properties were sold to buyers, knowing that Bartlett had recruited individuals to provide funds that were falsely represented to lenders as the buyers' down payments. Lattas

knew individuals other than the buyers were providing cashier's checks representing the buyers' down payments and falsely listed them as the remitters, the charges allege.

The charges were announced by Gary S. Shapiro, United States Attorney for the Northern District of Illinois; Barry McLaughlin, Special Agent-in-Charge of the U.S. Department of Housing and Urban Development Office of Inspector General in Chicago; and Pete Zegarac, Inspector-in-Charge of the U.S. Postal Inspection Service in Chicago. The Federal Housing Finance Agency Office of Inspector General assisted in the investigation. The government is being represented by Assistant U.S. Attorney Jason Yonan.

In a separate, unrelated case, ANTHONY CAMPANALE, 58, of Oak Park, an attorney who represented SNAP Holdings, LLC and affiliated entities at real estate closings, was charged with three counts of mail fraud and five counts of wire fraud in an eight-count indictment returned on May 16. Campanale pleaded not guilty on May 24 at his arraignment in Federal Court. The indictment seeks forfeiture of \$3,733,250.

According to the indictment, between October 2007 and November 2008, Campanale knew that he was representing SNAP Holdings and its affiliates at closings for properties that were being sold at inflated sales prices to buyers whom he knew were being paid by his clients to purchase the properties. Campanale allegedly caused sales contracts to be submitted to lenders that he knew contained false information, including inflated sales prices, and he submitted to lenders HUD-1 settlement statements that he knew contained false information about the true source of the buyers' down payments and about payments provided to the buyers for purchasing the properties.

The charges result from the same investigation that led to the July 2012 indictment of seven defendants for allegedly participating in a scheme to fraudulently obtain more than 20 residential mortgages totaling approximately \$8.5 million from various lenders. Three of those defendants, including Thomas Hyland, 40, of Glen Ellyn, who co-owned SNAP Holdings, have pleaded guilty while charges remain pending against the other four defendants.

Mr. Shapiro announced the Campanale charges with Cory B. Nelson, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; James Vanderberg, Special Agent-in-Charge of the U.S. Department of Labor's Office of Inspector General; and Pete Zegarac, Inspector-in-Charge of the U.S. Postal Inspection Service in Chicago. The government is being represented by Assistant U.S. Attorneys Jason Yonan and Ryan Hedges.

Each count of wire fraud and mail fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine, and restitution is mandatory. If convicted, the Court may impose an alternate fine totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. The Court must impose a reasonable sentence under federal sentencing statutes and the advisory United States Sentencing Guidelines.

The public is reminded that indictments contain only charges and are not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

Since 2008, several hundred defendants have been charged in Federal Court in Chicago and Rockford with engaging in various mortgage fraud schemes involving more than 1,000 properties and more than \$300 million in potential losses, signifying the high priority that federal

law enforcement officials give mortgage fraud in an effort to deter others from engaging in crimes relating to residential and commercial real estate.

Today's announcement is part of efforts underway by the 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 facilitated increased investigation and prosecution of financial crimes; enhanced coordination and cooperation among federal, state and local authorities; addressed discrimination in the lending and financial markets, and conducted 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.

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