

Hampton Woman Pleads Guilty to \$161 Million Mortgage Fraud Scheme

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For Immediate Release

U.S. Attorney's Office, Northern District of Georgia

ATLANTA - Kimberly Johnson has pleaded guilty for her role in a mortgage fraud scheme spanning more than three years and resulting in the approval of approximately 450 mortgage loans based on fabricated documents and false information. Many of the loans are insured by the Federal Housing Administration (FHA), resulting in claims being paid for mortgages that have defaulted.

"The defendant and her co-conspirators brazenly manipulated the real estate lending process out of sheer greed," said U.S. Attorney Ryan Buchanan. "Criminals like Johnson, who engage in mortgage fraud, threaten the soundness of the real estate market in our communities. Our office is committed to prosecuting these bad actors who abuse the system for their personal gain and to safeguard the mortgage lending system for those who rely on this financial support."

"Kimberly Johnson engaged in a massive mortgage fraud scheme, fabricating material documents on over 450 loans to falsely qualify individuals for loans they would not have otherwise qualified for," said Special Agent-in-Charge Jerome Winkle with the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG). "When individuals commit fraud against federally funded programs, it creates significant risks to the programs and limits the financial resources available to assist hard working individuals realize the American dream of homeownership. HUD OIG will continue to work with its prosecutorial and law enforcement partners to vigorously pursue those who seek to profit by abusing HUD-funded programs."

"Ms. Johnson's guilty plea is the result of our commitment to hold anyone who exploits the mortgage lending system for personal gain fully accountable," said Edwin S. Bonano, Special Agent in Charge of FHFA-OIG's Southeast Region. "This case highlights the importance of collaboration between our law enforcement partners to protect the integrity of the housing market and prevent fraud that undermines public trust."

"The defendant in this case pleaded guilty for her role in altering and fabricating supporting documents in fraudulent mortgage loan applications, as part of a scheme that resulted in the approval of approximately 450 mortgage loans," said Kyle A. Myles, Special Agent in Charge of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG), Atlanta Region. "The FDIC OIG remains committed to working with our law enforcement colleagues to investigate those who commit fraudulent acts and threaten to undermine the safety and soundness of our nation's financial system."

"The FBI will vigorously investigate criminal offenses that impact the integrity of the residential mortgage market. In this case, Johnson had the duty to conduct business honestly but instead chose to engage in mortgage fraud, securing mortgages for individuals who otherwise would not have qualified for one," said Sean Burke, Acting Special Agent in Charge of FBI Atlanta. "We are proud to

have worked with our law enforcement partners and the U.S. Attorney's Office in the effort to prosecute anyone who engages in this type of misconduct."

According to U.S. Attorney Buchanan, the charges and other information presented in court: Kimberly Johnson participated in a conspiracy in which homebuyers and mortgage brokers submitted fraudulent loan applications to induce mortgage lenders to fund mortgages. Johnson's role in the scheme was to alter or fabricate the supporting documents for the loans, including bank statements, pay stubs and Forms W-2. Over the course of more than three years, Johnson helped approximately 450 homebuyers to commit mortgage fraud by obtaining loans for which they were unqualified. The fraudulent loan applications were submitted to numerous mortgage lenders, and some of the mortgage brokers who worked on obtaining the loans were part of the conspiracy. These fraudulent loans totaled approximately \$161 million. Many of those loans have already defaulted.

Kimberly Johnson, 55, of Hampton, Georgia, pleaded guilty to one count of conspiracy to defraud the United States in a mortgage fraud scheme and, as part of her plea, has agreed to pay restitution to the victims of the conspiracy, including the U.S. Department of Housing and Urban Development, which insures many of the residential mortgages in the United States. Johnson is scheduled to be sentenced on April 11, 2025, before U.S. District Judge Sarah E. Geraghty.

This case is being investigated by the U.S. Department of Housing and Urban Development Office of Inspector General, the Federal Housing Finance Agency Office of Inspector General, the Federal Deposit Insurance Corporation Office of Inspector General and the Federal Bureau of Investigation.

Assistant U.S. Attorney Alison Prout is prosecuting the case.

For further information please contact the U.S. Attorney's Public Affairs Office at USAGAN.PressEmails@usdoj.gov or (404) 581-6016. The Internet address for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.

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