

## **Press Release**

### **Leader Of Multimillion-Dollar Bank Fraud Scheme Is Sentenced To 15 Years In Prison**

Tuesday, July 8, 2025

#### **For Immediate Release**

U.S. Attorney's Office, Western District of North Carolina

#### **Co-Conspirator Also Ordered to Serve Time in Prison for Her Role in the Scheme**

CHARLOTTE, N.C. – The leader of a multimillion-dollar bank fraud scheme and one of his co-conspirators were sentenced to prison today, announced Russ Ferguson, U.S. Attorney for the Western District of North Carolina. Kotto Yaphet Paul, 50 of Waxhaw, N.C., was ordered to serve 15 years in prison followed by five years of supervised release. Latoya Tameika Ford, 50, of Covington, Georgia, was sentenced to 27 months in prison followed by three years of supervised release. Both Paul and Ford pleaded guilty to conspiracy to commit wire fraud and bank fraud. Paul also pleaded guilty to money laundering and aiding and abetting.

A third co-conspirator, Bruce Howard Marko, 66, of Charlotte, was sentenced in April to 12 months and a day in prison followed by two years of supervised release and was ordered to pay restitution in the amount of \$1.5 million for his role in the scheme. A fourth individual charged in this case, Love Norman, of West Palm Beach, Florida, has pleaded guilty to conspiracy to commit wire fraud and bank fraud and is awaiting sentencing.

Four additional defendants were previously convicted of bank fraud conspiracy for their involvement in the scheme. Amrish D. Patel was sentenced to 15 months in prison. Dwight A. Peebles, Jr. was sentenced to 18 months in prison. Denise Woodard was ordered to serve 36 months in prison, and Derrick L. Harrison, was sentenced to a year and a day in prison. The defendants were also ordered to pay restitution ranging from \$620,000 to more than \$3.1 million.

According to filed court documents and court proceedings, beginning in 2018, the co-conspirators executed a scheme that defrauded at least 17 federally insured financial institutions of more than \$17 million in fraudulent loans. Paul, who was the organizer and leader of the scheme and the primary beneficiary of the fraud conspiracy, relied on a network of co-conspirators that included Ford, to prepare and submit the fraudulent loan applications to financial institutions and facilitate the fraud. The fraudulent loans were of several types, including business loans purportedly for the purchase of equipment, land development loans, and residential mortgage loans. To secure the loans from the financial institutions, Paul and his co-conspirators made material misrepresentations on the loan applications and provided fraudulent documentation, including false income and employment information; financial statements; bank statements; and tax returns. The loan applications also contained misrepresentations about the purpose of the loans and the operations of the relevant businesses.

Based on the fraudulent loan applications, Paul and his co-conspirators secured at least 42 loans from the victim financial institutions. Contrary to information provided on the loan applications about the purposes of the loans, the defendants used the loan proceeds to purchase real estate,

cover unrelated business expenses, make investments, make payments toward earlier loans, and pay for personal expenditures.

According to court documents, Paul engaged in money laundering in furtherance of the fraud and executed monetary transactions using funds derived from the criminal scheme. For example, in 2020, Paul wired nearly \$400,000 to a title insurance company that Norman used to purchase a home in Florida.

Court documents show that the defendants defaulted on most of the loans, causing substantial losses to the victim financial institutions that issued the loans.

In making today's announcement, U.S. Attorney Ferguson credited the Office of the Inspector General of the Board of Governors of the Federal Reserve System, the Office of the Inspector General for the Federal Housing Finance Agency, the Office of the Inspector General for the Federal Deposit Insurance Corporation, the Federal Bureau of Investigation in Charlotte, and the Charlotte Field Office of the Internal Revenue Service's Criminal Investigation, for the investigation of this case.

Assistant U.S. Attorney Don Gast with the U.S. Attorney's Office in Asheville is prosecuting the case.

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