



U.S. Department of Justice

United States Attorney
Southern District of Florida

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NEWS RELEASE:

Mortgage Company Executive Sentenced in Fraud Case

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, Michael P. Stephens, Acting Inspector General, Federal Housing Finance Agency, Office of Inspector General, and Drew J. Breakspear, Commissioner, Florida Office of Financial Regulation, announced the sentencing of **Patrick J. Mansell**, 68, of Boca Raton, FL, Vice President of Coastal States Mortgage Corporation (Coastal). Mansell was sentenced to a statutory maximum penalty of five years in prison, followed by three years of supervised release by U.S. District Judge Robin S. Rosenbaum. Mansell previously pled guilty to conspiracy to commit wire fraud to defraud government sponsored entities, Fannie Mae and Freddie Mac.

According to the Information, from April 2007 through November 2008, in the Southern District of Florida, Coastal was a licensed mortgage brokerage whose primary business was the selling and servicing of mortgage loans for both Freddie Mac and Fannie Mae. At the change of plea hearing, Mansell admitted that Coastal failed to remit some of the mortgage loan payoffs it received and processed from borrowers to Freddie Mac and Fannie Mae, as required by the contractual agreement entered into between them. This resulted in an \$18,735,903.77 loss to Freddie Mac and Fannie Mae. The misappropriation was concealed by the regular submission of false financial reports and monthly mortgage payments by Coastal, via an interstate internet portal, to Freddie Mac and Fannie Mae. These monthly mortgage payments by Coastal misled the lenders into believing the loans were still performing.

Mr. Ferrer commended the investigative efforts of the Federal Housing Finance Agency, Office of the Inspector General and Florida's Office of Financial Regulation. The case was prosecuted by Assistant U.S. Attorney Thomas P. Lanigan.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.