



*United States Attorney
District of New Jersey*

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**MERIDEN, CONN., MAN ADMITS TO PARTICIPATING IN
TWO MORTGAGE FRAUD SCHEMES**

NEW HAVEN, Conn. – A Meriden, Conn., man today admitted his role in an extensive mortgage fraud scheme related to the purchases of numerous homes in New Haven, U.S. Attorney Paul J. Fishman, District of New Jersey, announced.

Kwame Nkrumah, a/k/a Roger Woodson, 57, pleaded guilty before U.S. District Judge Janet C. Hall in New Haven federal court to an Indictment charging him with conspiracy to commit mail, bank, and wire fraud in two separate mortgage fraud schemes from September 2006 to November 2008. Nkrumah, his conspirators, and others received millions of dollars in residential real estate loans by submitting false loan applications, fictitious leases, and false down payments to mortgage lenders.

According to documents filed in this case and statements made in court:

Nkrumah and his conspirators hid from mortgage lenders the true sales price of the houses through, among other things, the use of two HUD-1 forms, only one of which was sent to the lender, and secret contract addenda. The buyers often received payments at closing, but those payments were not disclosed to the mortgage lender.

The conspirators entered into sales contracts with property sellers for prices that were higher than the actual prices the sellers received at closing. The conspirators then executed contract addenda that reflected the actual, lower prices. While the sales contracts bearing the contract price would be disclosed to mortgage lenders, the contract addenda were never disclosed.

Separately, Nkrumah pleaded guilty to conspiracy to defraud mortgage lenders in connection with the purchase of other New Haven properties in early 2007. According to court documents filed in this case and related cases, Nkrumah and others submitted fraudulent loan applications, HUD-1 forms, employment verification forms and other documentation to mortgage lenders to obtain financing to purchase properties. Nkrumah submitted multiple false employment verification forms indicating that an individual borrower was employed as an office manager at All World Realty Enterprise and/or Homesavers LLC when, in fact, those statements were not true.

On the counts to which he pleaded guilty, Nkrumah faces a maximum potential punishment of 50 years in prison and a fine of \$1,250,000. As part of his plea agreement, Nkrumah agreed to forfeit \$122,570 and to pay restitution of at least \$1,458,050. Sentencing is scheduled for Aug. 20, 2013.

U.S. Attorney Fishman credited the FBI, the U.S. Postal Inspection Service, the U.S. Department of Housing and Urban Development – Office of Inspector General, and the Federal Housing Finance Agency – Office of Inspector General, which identified multiple Fannie Mae and Freddie Mac loans that went into foreclosure.

The government is represented in the criminal cases by Assistant U.S. Attorney David T. Huang and Special Assistant U.S. Attorney John McReynolds of the U.S. Attorney’s Office, District of Connecticut; the parallel civil forfeiture cases are being handled by Assistant U.S. Attorney Julie G. Turbert, U.S. Attorney’s Office, District of Connecticut. The U.S. Attorney for the District of New Jersey has been overseeing the case because of the recusal of the U.S. Attorney’s Office for the District of Connecticut.

To report financial fraud crimes, and to learn more about the President’s Financial Fraud Enforcement Task Force, please visit www.stopfraud.gov.

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