



U.S. Department of Justice

United States Attorney
Southern District of Florida

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NEWS RELEASE:

Mortgage Company Executive Pleads Guilty in Fraud Case

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, Steve Linick, Inspector General, Federal Housing Finance Agency, Office of Inspector General, and Drew J. Breakspear, Commissioner, State of Florida's Office of Financial Regulation, announce that **Patrick J. Mansell**, 68, of Boca Raton, FL, Vice President of Coastal States Mortgage Corporation (Coastal), 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 activity 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.

The defendant faces a statutory maximum penalty of five years' in prison, followed by a three year period of supervised release, and a fine of up to \$250,000 and restitution. Sentencing is scheduled for October 15, 2013 before U.S. District Judge Robin Rosenbaum.

Mr. Ferrer commended the investigative efforts of the Federal Housing Finance Agency, Office of the Inspector General and State of Florida's Office of Financial Regulation. The case is being 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 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 www.flsd.uscourts.gov or on <http://pacer.flsd.uscourts.gov>.