

Department of Justice

U.S. Attorney's Office

Northern District of Georgia

FOR IMMEDIATE RELEASE

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Twelve charged in multi-year mortgage fraud scheme

ATLANTA – Twelve defendants have been charged in a mortgage fraud scheme allegedly spanning more than four years and resulting in the approval of more than 100 mortgages 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 gone through loan modification.

“These defendants allegedly used their knowledge of the real estate lending process to manipulate the system for their own benefit,” said U.S. Attorney Byung J. “BJay” Pak. “Mortgage fraudsters threaten the soundness of the real estate market in our community. We will investigate and charge anyone who takes advantage of our mortgage lending system for their own personal gain.”

“These charges represent the government's commitment toward combating such alleged criminal activity,” said Chris Hacker, Special Agent in Charge of FBI Atlanta. “We will steadfastly protect American citizens and the real estate market from predators who drag down our economy by deceit to line their own pockets.”

“What we have here is a group of mortgage industry professionals that have allegedly perpetrated a sophisticated mortgage fraud for profit scheme that was designed to enrich themselves at the expense of a federal housing program,” said Wyatt Achord, Special Agent in Charge, Office of the Inspector General, U.S. Department of Housing and Urban Development. “The efforts that brought forward these charges demonstrate that when law enforcement is made aware of such schemes, we will commit the necessary resources to make sure that fraudsters are brought to justice.”

“As charged, the defendants engaged in a multiyear scheme to defraud Fannie Mae and Freddie Mac. The Federal Housing Finance Agency Office of Inspector General (FHFA-OIG) will investigate and hold accountable those who seek to victimize these Government Sponsored Entities supervised and regulated by FHFA”, said FHFA-OIG Special Agent in-Charge Edwin Bonano.

According to U.S. Attorney Pak, the indictment, and other information presented in court: The defendants participated in a scheme in which homebuyers and real estate agents submitted fraudulent loan applications to induce mortgage lenders to fund mortgages. Listing agents Eric Hill and Robert Kelske represented a major nationwide homebuilder, and helped more than 100 homebuyers who were looking to buy a home, but who were unqualified to obtain a mortgage, commit fraud. The agents instructed the homebuyers as to what type of assets they needed to claim to have in the bank, and what type of employment and income they needed to submit in their mortgage applications.

Hill and Kelske then coordinated with multiple document fabricators, including defendants Fawziyyah Connor and Stephanie Hogan, who altered the homebuyers' bank statements to inflate their assets and to create bank entries reflecting false direct deposits from an employer selected by the real estate agent. The document fabricators also generated fake earnings statements that matched the direct deposit entries to make it appear that the homebuyer was employed, and earning income, from a fake employer. Other participants in the scheme then acted as employment verifiers and responded to phone calls or emails from lenders to falsely verify the homebuyers' employment. Defendants Jerod Little, Renee Little, Maurice Lawson, Todd Taylor, Paige McDaniel and Donald Fontenot acted as employment verifiers. Hill and Kelske coordinated the creation and submission of the false information so that the lies to the lenders were consistent.

In another aspect of the scheme, real estate agents Anthony Richard and Cephus Chapman falsely claimed to represent homebuyers as their selling agents in order to receive commissions from the home sales. In reality, these real estate agents had never even met the homebuyers they claimed to represent. To avoid detection, the agents often notified closing attorneys that they would not be available for the home closing, and sent wire instructions for the receipt of their commissions. When these purported selling agents received their unearned commissions, they kicked back the majority of the commissions to Hill or Kelske for enabling them to be added to the deal, keeping a small share for their role in the scheme.

The following defendants have been charged as part of these conspiracies:

- Eric Hill, 50, of Tyrone, Georgia (charged by Information)
- Robert Kelske, 52, of Smyrna, Georgia
- Fawziyyah Connor, 41, of Tyrone, Georgia
- Stephanie Hogan, 57, of Norcross, Georgia
- Jerod Little, 42, of McDonough, Georgia
- Renee Little, 33, of McDonough, Georgia
- Maurice Lawson, 36, of Powder Springs, Georgia
- Todd Taylor, 54, of Fairburn, Georgia
- Paige McDaniel, 49, of Stockbridge, Georgia
- Donald Fontenot, 52, of Locust Grove, Georgia (charged by Information)
- Anthony Richard, 44, of Locust Grove, Georgia
- Cephus Chapman, 49, of Warner Robins, Georgia

Members of the public are reminded that the indictment and informations only contain charges. The defendants are presumed innocent of the charges and it will be the government's burden to prove the defendants' guilt beyond a reasonable doubt at trial.

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

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

For further information please contact the U.S. Attorney's Public Affairs Office at <mailto: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 <https://www.justice.gov/usao-ndga>.

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