



U.S. Department of Justice



United States Attorney
District of Maryland

Rod J. Rosenstein
United States Attorney

Vickie E. LeDuc
Public Information Officer

36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201

410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov

January 14, 2016
FOR IMMEDIATE RELEASE
www.justice.gov/usao/md

**Contact AUSA VICKIE E. LEDUC or
MARCIA MURPHY at (410) 209-4885**

**ANNAPOLIS RESIDENTIAL DEVELOPER SENTENCED TO PRISON IN FRAUDULENT
MORTGAGE SCHEME**

Fraudulently Stated That He Provided Over a Million in Cash at Real Estate Closing

Baltimore, Maryland – U.S. District Judge Richard D. Bennett sentenced Timothy L. Ritchie, age 44, of Annapolis, Maryland, today to a year and a day in prison, followed by 12 months of home detention with electronic monitoring as part of three years of supervised release, for making false statements arising from a real estate closing. Judge Bennett also entered an order requiring Ritchie to pay restitution of \$1,385,444.83.

The sentence was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Deputy Inspector General for Investigations Rene Febles of the Federal Housing Finance Agency Office of Inspector General; and Special Agent in Charge Fran Mace, of the Federal Deposit Insurance Corporation Office of Inspector General.

Ritchie owned and operated Richland Homes, Inc., and was in the business of building, purchasing and selling homes.

According to his plea agreement, on July 7, 2005, Ritchie attended a residential closing for his purchase of three lots located at 24058 St. Michael's Road in St. Michael's, Maryland. John Davis, a real estate agent, conducted the closing, and listed Ritchie on the HUD statement as the buyer/ borrower. The HUD statement falsely stated that Ritchie provided \$1,153,937.23 in cash at the closing. In fact, Ritchie did not provide any funds to Davis at the closing. As a result of the false statement, Ritchie fraudulently obtained approximately \$2,445,102 from a mortgage lender by wire transfer to fund the settlement.

In a related case, John L. Davis, age 55, of Chestertown, Maryland, previously pleaded guilty to conspiracy to commit mail fraud and wire fraud arising from his participation in the scheme, and is scheduled to be sentenced on March 31, 2016 at 3:00 p.m. Davis admitted that the loss arising from his participation in the scheme is between \$400,000 and \$1 million.

The Maryland Mortgage Fraud Task Force was established to unify the agencies that regulate and investigate mortgage fraud and promote the early detection, identification, prevention and prosecution of mortgage fraud schemes. This case, as well as other cases brought by members of the Task Force, demonstrates the commitment of law enforcement agencies to protect consumers from fraud and promote the integrity of the credit markets. Information about mortgage fraud prosecutions is available http://www.justice.gov/usao/md/priorities_financialfraud.html.

United States Attorney Rod J. Rosenstein commended the FHFA - OIG and FDIC – OIG for their work in the investigation. Mr. Rosenstein thanked Special Assistant U.S. Attorney Kevin V. Di Gregory and Assistant U.S. Attorney Kathleen O. Gavin, who prosecuted the case.