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### MONTGOMERY COUNTY PASTOR CHARGED IN MORTGAGE FRAUD SCHEME

PHILADELPHIA - Michael Wilkerson, Joyce Wilkerson, Lee Garell, and Denise Haines were charged today by indictment<sup>1</sup> with engaging in a scheme to defraud JP Morgan Chase's predecessor, Chase Manhattan Bank, by fraudulently obtaining home loans valued at more than \$6 million for properties located in Schwenksville and Glenmoore, Montgomery County, PA, announced United States Attorney Zane David Memeger.

According to the indictment, Michael Wilkerson, pastor of New Millennium Life Restoration Fellowship, with locations in Phoenixville and Spring City, recruited several of his congregants, and the congregants' families and friends, to participate in a number of real estate transactions. If they had good credit and acted as "straw purchasers" - meaning they would sign loan documents as the purchaser of a house and attend the property settlement - Michael Wilkerson would pay them \$15,000. Wilkerson would allegedly pay another \$5,000 if they referred other straw purchasers to him. Wilkerson recruited at least five individuals who agreed to be straw purchasers of homes. The indictment alleges that Joyce Wilkerson participated in the fraud scheme by assisting Michael Wilkerson, explaining the transactions to the "straws," paying the "straws," and also pretending to be a co-purchaser of each of the homes at the time of settlement. The indictment alleges that Lee Garell, a real estate broker with Long & Foster Companies, prepared the sales paperwork for each of the homes that was sold to the "straws" and, along with Michael Wilkerson, dictated the fraudulent terms set out in the settlement sheets.

The indictment alleges that Denise Haines, a mortgage broker with American Group Mortgage Corporation, submitted fraudulent loan applications in the transactions to Chase Manhattan Bank. These fraudulent loan applications falsely represented the appraised value of the homes, the identification of the "straws," the source of funds, the borrower's income and assets, and their intent to take possession of the homes as their primary residence. Based on the representations made in the loan documents, Haines knew she could get Chase Manhattan Bank to approve the loans with little verification of the information on the loan applications.

When the loans were funded at the time of settlement, Michael Wilkerson, Joyce Wilkerson, Lee Garell, and Denise Haines allegedly manipulated the documents prepared at settlement and,

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<sup>1</sup>An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

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later, forwarded the settlement documents to Chase Manhattan Bank to make it appear to the bank that the “straws” brought considerable cash to the closings, when, in fact, all of the money involved at the settlement actually came from Chase Manhattan Bank. The defendants allegedly shared in the profits from the fraudulent sales.

According to the indictment, after settlement on the homes, Michael Wilkerson took possession of all of the homes, rented four of them and lived in another. He paid the mortgages with rental income for approximately six months then told the “straw” purchasers that they had to pay the mortgages. This last act led to the loans falling into default and then foreclosure, resulting in a loss of approximately \$3 million.

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	AGE OR YEAR OF BIRTH
Michael Wilkerson	Pottstown, PA	1966
Joyce Wilkerson	Pottstown, PA	?
Michael Wilkerson	Pottstown, PA	1966
Denise Haines	Birdboro, PA	1969

If convicted, each defendant faces a maximum possible sentence of 180 years in prison, five years supervised release, a fine of up to \$6 million, and a \$600 special assessment.

The case was investigated by the Federal Bureau of Investigation and is being prosecuted by Assistant United States Attorney Anita Eve.

President Obama established the Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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