



Department of Justice

United States Attorney Robert E. O'Neill
Middle District of Florida

Tampa Orlando Jacksonville Ocala Fort Myers
FOR IMMEDIATE RELEASE CONTACT: WILLIAM DANIELS
April 19, 2011 PHONE: (813) 274-6388
<http://www.usdoj.gov/usao/flm/pr> FAX: (813) 274-6300

REALTOR AND MORTGAGE BROKER CHARGED IN SCHEME TO DEFRAUD LENDERS INVOLVING FIFTEEN FIRST COAST RESIDENTIAL PROPERTIES

Jacksonville, Florida - United States Attorney Robert E. O'Neill announces the unsealing of two indictments charging Jacksonville residents Mark Gruszecki (42) and Kessler Holzendorf (42). Gruszecki and Holzendorf are each charged with one count of conspiracy to commit mail and wire fraud, fifteen counts of mail fraud, and fifteen counts of wire fraud. Gruszecki and Holzendorf each face a maximum penalty of 20 years in federal prison per count. The indictments also notify Gruszecki and Holzendorf that the United States is seeking money judgments in the amounts of \$826,296.05 against Gruszecki and \$516,533.70 against Holzendorf, which constitutes the proceeds each received from the charged criminal conduct.

According to the indictments, Gruszecki, Holzendorf, and others, including Joseph Cirlot, Winslow Wheeler, Timothy Miller, and Christopher Reid, conspired together to defraud lenders and received kickbacks out of the purchase of fifteen residential properties. The indictments allege that the conspirators inflated the purchase prices of the homes claiming that they were installing pools or conducting home improvements through a company owned by Holzendorf or another conspirator. Instead of installing pools or conducting home improvements, Holzendorf or the other conspirator caused the money to

be kicked back to companies established by the buyers to conceal the payments from the lenders. In connection with this scheme, the indictments allege that the conspirators made false statements in purchase and sale agreements, loan applications, and HUD-1 settlement statements to cause the lenders to make the loans. During the time frame of the scheme, on or about August 2006 through July 2007, the indictments allege that Gruszecki was a licensed real estate agent and Holzendorf worked for a mortgage brokerage company.

Four of the other conspirators, Cirlot, Wheeler, Miller, and Reid, have been previously convicted during the initial phases of this investigation. Cirlot and Wheeler pled guilty to each committing one count of mail fraud, cooperated with the government and the Court sentenced them to probation. Miller and Reid were convicted after trial on one count of conspiracy to commit mail and wire fraud, five counts of mail fraud, and five counts of wire fraud and were sentenced to fifteen months imprisonment.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent unless, and until, proven guilty.

This case was investigated by the Federal Bureau of Investigation and the Florida Department of Law Enforcement. It will be prosecuted by Assistant United States Attorneys John Guard and Kevin Frein.