



# Department of Justice

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## **FORMER JACKSONVILLE TITLE AGENCY OWNER PLEADS GUILTY IN MORTGAGE FRAUD SCHEME**

Jacksonville, Florida - U.S. Attorney Robert E. O'Neill announces that Cynthia Darlene Strickland (age 45, Jacksonville) pleaded guilty on Thursday to bank fraud. Strickland was a licensed title agent and the owner of Premier Title Group, Inc., a title agency in Jacksonville. She faces a maximum penalty of thirty years in federal prison.

According to court documents, the orchestrator of the mortgage fraud scheme was Juan Carlos Gonzalez, who previously pleaded guilty and was sentenced to seven years in prison. Gonzalez entered into contracts to buy residential real estate properties and retained a licensed real estate appraiser, Barry Westergom, to appraise the properties. Westergom, who previously pleaded guilty and was sentenced to four years in prison, fraudulently appraised the properties at values that were significantly inflated above the agreed purchase price.

Gonzalez recruited third-party buyers to enter into a second contract that listed the fraudulently inflated appraised value as the purchase price. Gonzalez applied for mortgage loans in the name of the third-party buyers and in support of the applications he submitted the second contract, the fraudulent appraisal, and false financial information about the buyers. Based upon this information, banks and other mortgage lenders approved the loans.

Gonzalez recruited Strickland to be the closing agent for the transactions. Strickland's plea agreement describes a transaction that was funded by first and second mortgage loans that Gonzalez fraudulently obtained from Lehman Brothers Bank. As part of her responsibilities as closing agent, Strickland prepared a standard settlement statement that identified various expenses, payments, and disbursements related to the transaction. The fraudulent documents were relied upon by the bank's and other mortgage lenders during the loan approval process.

On the settlement statement, Strickland represented that the purchase price of the property was \$725,000, the inflated appraised value, when in fact the purchase price was \$570,000, the price Gonzalez had negotiated with the sellers. Although Strickland knew that two contracts existed, one for the lower price negotiated with the sellers and one for the higher price based on the inflated appraisal, she did not inform the bank of these facts.

Strickland also falsely represented on the settlement statement that the third-party buyer would make a \$70,694.24 down payment when in fact no down payment was made. During the closing, Strickland informed the bank that all closing conditions had been met and, as a result, the bank disbursed a first mortgage loan of \$581,239.51 and a second mortgage loan of \$104,170.47. After the bank disbursed the funds, Strickland issued a check to Gonzalez for \$155,000, which was the difference between the actual purchase price, \$570,000, and the inflated appraised value, \$725,000. Gonzalez deposited the funds at a financial institution and obtained a cashier's check in the name of the third-party buyer for the down payment. Gonzalez then provided this check to Strickland, who deposited it into her title agency's escrow account as the down payment for the transaction.

As part of her plea agreement, Strickland agreed to forfeit \$178,625, which is the total amount of the fees she received from the fraudulent transactions. Strickland also

agreed to pay restitution claims made by victims of the offense in the amount of \$531,356.62.

The case was investigated by the Federal Bureau of Investigation. The case was prosecuted by Assistant United States Attorney Arnold B. Corsmeier.