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## **MORTGAGE FRAUD DEFENDANT SENTENCED TO PRISON**

Tampa, Florida - U.S. Attorney Robert E. O'Neill announces that U.S. District Judge Susan C. Bucklew today sentenced Sang Min Kim, a/k/a Sonny Kim (37, Tampa) to 41 months in federal prison for conspiracy to commit wire, mail, and bank fraud and money laundering in connection with a mortgage fraud scheme. As part of his sentence, the court entered a money judgment in the amount of \$5,826,778.65, the proceeds of the charged criminal conduct.

Kim pleaded guilty on June 29, 2010. According to court documents, from about January 2005 through October 2008, Kim engaged in numerous residential real estate transactions in the Middle District of Florida, primarily in Hillsborough County, at least 48 of which involved fraud and resulted in losses of approximately \$5,826,778.65.

Kim purchased residential properties as an "investor" with the intention of "flipping" the properties in subsequent sales. Kim's co-conspirators identified the properties he purchased, usually at market value, by accepting quit claim deeds from the sellers. Frequently, Kim's co-conspirators also identified the "buyers" to whom he flipped the properties. Kim's buyers' mortgage loan applications typically included the false claim that they intended to occupy the properties they were purchasing, when in fact they never

intended to purchase Kim's properties as places to live. Moreover, Kim's buyers made no genuine financial commitment of funds to their purchase transactions. The buyers' stated down payments were fictitious because the funds used to make the down payments were either provided by Kim or another, or the buyer used his or her own money and was subsequently reimbursed by Kim who used loan proceeds to do so. The "buyers" were motivated to participate in these transactions by the fact that they were being paid to assume the role of "purchaser."

As a part of the fraud scheme, Kim used appraisers whom he knew would "come in higher" on appraised values. He also regularly provided a title agent with additional compensation in the form of "side commissions" in exchange for expediting closings. Kim was aware that at least one mortgage broker created false W-2 forms to document a prospective borrower's stated income. Kim was also aware that his company, SK Investment Group, LLC, was used to provide false employment verifications for other fraudulent transactions from which he did not directly benefit. Kim was also aware that one or more mortgage brokers, through whom he conducted his purchase/sales transactions, made up fictitious income and false assets that were inserted on prospective buyers' loan applications. Kim was assisted in his fraudulent purchase/sales transactions by persons employed by federally insured financial institutions. Those persons were aware that Kim, as the seller, received a portion of funds derived from equity lines of credit acquired by his buyers.

This case was investigated by the Federal Bureau of Investigation and the Internal Revenue Service - Criminal Investigation. It was prosecuted by Assistant United States Attorney Rachelle DesVaux Bedke.