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**SECOND CONSPIRATOR PLEADS GUILTY IN \$70 MILLION
“DREAM HOME” MORTGAGE FRAUD SCHEME**

Greenbelt, Maryland - Charlotte Melissa Josephine Hardmon, age 39, of Bowie, Maryland pleaded guilty today to conspiracy to commit wire fraud in connection with her participation in a massive mortgage fraud scheme which promised to pay off homeowners' mortgages on their "Dream Homes," but left them to fend for themselves, announced United States Attorney for the District of Maryland Rod J. Rosenstein.

"Our investigation is continuing," said U.S. Attorney Rod J. Rosenstein. "We aim to hold all perpetrators accountable and recover any remaining proceeds of the scheme."

According to her plea agreement, beginning in 2005, co-conspirators targeted homeowners and home purchasers to participate in a purported mortgage payment program called the "Dream Homes Program." In exchange for a minimum of \$50,000 initial investment and an "administrative fee" of up to \$5,000, the conspirators promised to make the homeowners' future monthly mortgage payments, and pay off the homeowners' mortgage within five to seven years. Dream Homes Program representatives explained to investors that the homeowners' initial investments would be used to fund investments in automated teller machines (ATMs), flat screen televisions that would show paid business advertisements and electronic kiosks that sold goods and services. To give investors the impression that the Dream Homes Program was very successful, Metro Dream Homes spent hundreds of thousands of dollars making presentations at luxury hotels such as the Washington Plaza Hotel in Washington, D.C., the Marriott Marquis Hotel in New York, New York and the Regent Beverly Wilshire Hotel in Beverly Hills, California.

In February 2006, the Dream Homes Program added a second program called "POS Dream Homes" that offered similar promises of paying off investor mortgages in five to seven years in exchange for an upfront investment of \$50,000 or more. Collectively, these programs had offices in Maryland, the District of Columbia, Virginia, North Carolina, New York, Delaware, Florida, Georgia and California. The Dream Homes Program successfully recruited over 1,000 investors who invested over \$70 million.

Hardmon was hired in December 2006 at an annual salary of \$200,000 as a business consultant for digital advertising for Metro POS. Her salary was two and one-half times her

prior salary as a marketing executive in Boston, Massachusetts. Hardmon received a Christmas bonus of \$16,000 just two weeks after she began work.

Shortly after starting work, Hardmon saw that Metro POS had little organization. Personnel decisions as to hiring and salary were often made without consulting division heads such as Hardmon. Hardmon's sales staff was being paid on salary, despite the fact that the sales staff had generated no material revenue. Hardmon imposed a commission structure and laid off most of the staff in her division in an attempt to improve the disorganization.

Hardmon bought a home for \$899,000 in June 2007 and enrolled her home in the Dream Homes Program.

At no time throughout her employment did Hardmon see any evidence of material revenue being generated from the digital advertising. She saw no evidence of any revenue being generated by any division of the company.

Hardmon attended a meeting of Metro Dream Homes senior executives in June 2007 in which they were told that the company was accumulating much more debt than revenue, and that the companies which Metro Dream Homes had been in "partnership" with also were generating no revenue.

After a cease and desist order was issued by a Maryland court against Metro Dream Homes, Hardmon participated in meetings in which investors were told that the company's legal difficulties were the result of either misunderstandings or racial animus against company leaders. Hardmon knew the purpose of the meetings was to calm investor fears. She participated in these meetings, despite her knowledge that the company was generating no revenue. In a meeting on September 8, 2007, Hardmon stated that the digital advertising side of the company was viable. In addition, she stood by and gave audible support while senior Metro Dream Homes employees stated that the company was doing well.

From December 2006 to October 2007 while Hardmon was employed by Metro POS, she received approximately \$167,000 in salary and one mortgage payment.

Hardmon faces a maximum sentence of 30 years in prison and a fine of \$1 million or twice the value of the transaction, whichever is greater. U.S. District Judge Roger W. Titus scheduled sentencing for September 24, 2009, at 8:30 a.m. As part of her plea agreement, Hardmon has agreed to pay restitution for the full amount of the victims' losses.

Carole Nelson, age 50, of Washington, D.C., pleaded guilty to money laundering on April 28, 2009 in connection with this scheme. Judge Titus scheduled her sentencing for August 6, 2009, at 8:30 a.m. As part of her plea agreement, Nelson has agreed to forfeit two homes in Virginia and Washington, D.C.

This prosecution is being brought jointly by the Maryland and Washington, D.C. Mortgage Fraud Task Forces, which are comprised of federal, state and local law enforcement agencies in Maryland, Washington, D.C. and Northern Virginia. The Task Forces were formed

to promote the early detection, identification, prevention and prosecution of various kinds of mortgage fraud schemes. This case, as well as other cases brought by members of the Task Forces, demonstrates the commitment of law enforcement agencies to protect consumers from fraud and help to ensure the integrity of the mortgage market and other credit markets. Information about mortgage fraud prosecutions is available on the internet at <http://www.usdoj.gov/usao/md/Mortgage-Fraud/index.html>.

United States Attorney Rod J. Rosenstein praised the Federal Bureau of Investigation, the Internal Revenue Service - Criminal Investigation, the Maryland Attorney General's Office - Securities Division and the Federal Deposit Insurance Corporation - Office of Inspector General for their investigative work. Mr. Rosenstein thanked Assistant U.S. Attorneys for the District of Maryland Jonathan C. Su and Bryan E. Foreman, who are prosecuting the case.