



U.S. Department of Justice

Terrence Berg
United States Attorney
Eastern District of Michigan

***Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277***

**For Immediate Release:
Contact: Gina Balaya (313) 226-9758**

Oct 21, 2009

Event: Sentenced

Defendant: Lorenzo Pierson

Saginaw Man Sentenced on Student Loan and Bank Fraud Charges

A Saginaw man was sentenced to 27 months in prison to be followed by 3 years of supervised release on charges that he fraudulently obtained student financial aid, announced United States Attorney Terrence Berg.

Receiving the sentence was Lorenzo Pierson, age 36, of Saginaw, Michigan. Pierson had previously pleaded guilty to a student loan fraud charge and a bank fraud charge before United States District Judge Thomas L. Ludington on March 26, 2009. In addition to the prison time, Judge Ludington also ordered Pierson to pay restitution to the various victims of his loan fraud scheme.

According to court records, between 1999 and January of 2007, Pierson obtained \$47,273 in federal direct student financial aid from the U.S. Department of Education, and also obtained a multitude of private student loans from federally insured banks. Much of the financial aid money obtained by Pierson was not used for the intended

educational purposes. In fact, Pierson has yet to receive his degree, despite having obtained a total of over \$366,000 in combined federal and private student financial aid. Pierson also obtained a mortgage by providing false documentation regarding his earnings during the same time period.

Pierson came to the attention of law enforcement authorities when a concerned citizen reported that Pierson was negotiating student financial aid checks, but not applying the money to educational expenses. As a result of that tip, agents from the Federal Bureau of Investigation and the U.S. Department of Education launched an investigation aimed at exposing Pierson's fraud.

U.S. Attorney Berg commended the efforts of the investigation agents, as well as those of the concerned citizen who brought Pierson's fraud to the attention of authorities.