



U.S. Department of Justice

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**For Immediate Release:
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Aug 25, 2009

Event: Guilty Plea

Defendant: James Whitaker

FORMER ORCHARD LAKE RESIDENT PLEADS GUILTY TO BANKRUPTCY FRAUD

A 30 year-old former resident of Orchard Lake, Michigan pleaded guilty today to an Information charging him with having fraudulent bankruptcy petitions filed in order to defraud his mortgage lender and forestall foreclosure on his mortgage and take possession of his property, United States Attorney Terrence Berg announced today.

Pleading guilty before U.S. District Judge Bernard A. Friedman was James Whitaker, a former resident of Orchard Lake, Michigan.

In 2007, Mr. Whitaker's mortgage holder, Deutsche Bank, began foreclosure proceedings on a \$970,000 mortgage Whitaker had obtained on a residence he occupied located on Elmgate Drive in Orchard Lake. Mr. Whitaker, however, held title to the property in his sister-in-law's name. When the bank began eviction proceedings in the 48th District Court in Bloomfield Hills, Michigan to take possession of the property, Whitaker had a bankruptcy petition preparer file several *pro se* bankruptcy petitions in his sister-in-law's name in order to

stay the eviction action in the State court. After each fraudulent petition was dismissed by the U.S. Bankruptcy, Whitaker would have another one filed. By doing this, Whitaker was able to delay his eviction from the home for over a year and a half during which time the value of the property substantially decreased. Because each of the four fraudulent bankruptcy petitions filed in his sister-in-law's name had been abandoned, the U.S. Bankruptcy Court eventually issued an order to Whitaker's sister-in-law to show cause why she shouldn't be held in contempt. The sister-in-law failed to appear in bankruptcy court which eventually led to her arrest at her place of work. She was released when she convincingly explained to the bankruptcy judge that she didn't reside at the Elmgate property and didn't know anything about the fraudulent bankruptcy petitions being filed in her name.

U.S. Attorney Berg stated, "Mr. Whitaker's filing of these fraudulent petitions in the U.S. Bankruptcy Court had serious personal consequences for his sister-in-law. He executed this scheme to mislead the State court system and his creditor. This office and federal law enforcement will continue to redress such abuse and deception."

Mr. Whitaker is scheduled to be sentenced by Judge Friedman on November 17 at 11 a.m. The matter was referred by U.S. Bankruptcy Judge Thomas Tucker in Detroit and the investigation of this case was conducted by the Federal Bureau of Investigation.