



U.S. Department of Justice

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**For Immediate Release:
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Sep 8, 2009

Event: Indictment

Defendant: James Weise et al

THREE INDICTED FOR MORTGAGE FRAUD SCAM

James Wiese, 38, of Birmingham, **Ilir Dokaj**, 33, and **Tom Gjokaj**, 52, both of Sterling Heights, were indicted today by a federal grand jury in Detroit for scheming to obtain \$7,557,100 from federally insured banks through fraudulent mortgages on twelve Birmingham homes, United States Attorney Terrence Berg announced today. Berg was joined in the announcement by Andrew C. Arena, FBI Special Agent in Charge.

The 2-count indictment charges that James Wiese, through his company Great Lakes Custom Builder, LLC, purchased twelve residential properties in Birmingham, Michigan in 2004 and 2005. Many of these property sites originally had smaller homes located on them, which had been demolished. Wiese built new houses on the twelve sites, expecting to make a profit when the new houses were sold.

James Wiese, Ilir Dokaj and Tom Gjokaj devised a scheme in which Gjokaj would be the straw buyer and purchase all twelve of the newly constructed Birmingham properties in three months: the first fraudulent loan closed on May 11, 2007, and the twelfth and final loan

closed on August 13, 2007. Gjokaj paid Wiese's asking price for all twelve properties, for a total purchase price of \$8,313,000.

To cause the lending institutions to believe that Gjokaj qualified to purchase the houses, the conspirators engaged in a variety of fraudulent conduct, including:

- Wiese supplied \$815,815.86 toward the sales of his properties himself. He provided \$346,700 to be used as the earnest money deposits for the sales, and an additional \$469,115.86 to be used as the down payments and to cover closing costs. To prevent the lenders from knowing that the funds came from him and not from Tom Gjokaj, Wiese deposited the money and down payments into bank accounts controlled by Gjokaj, and also transferred other funds to bank accounts controlled by Ilir Dokaj; Dokaj then moved most of those funds into bank accounts controlled by Gjokaj.
- After funds from Wiese and Dokaj were in accounts he controlled, Gjokaj drafted official checks or wrote personal checks from those accounts, and used the checks as earnest money deposits and down payments.
- On the mortgage loan applications (1003s) for each of the properties, Gjokaj failed to disclose that Wiese, the builder and seller, was ultimately providing the funds for the earnest money and down payments. Instead, Gjokaj fraudulently represented that the earnest money and down payments were his own funds. Gjokaj also inflated his monthly earnings, failed to disclose all of his liabilities (including those related to the properties he had already purchased), and made other material misrepresentations.

At the closings on the sales of the properties, both James Wiese and Tom Gjokaj signed the HUD-1 Settlement Statements certifying that all payments associated with the transaction were included on the Settlement Statements; however, the Settlement Statements did not list the transfers of funds by Wiese to Gjokaj to cover the earnest money deposits and down payments. All of the mortgages went into immediate default.

United States Attorney Berg said, "The charges in this case demonstrate the dangers when the builder/property owner colludes with the purchaser in order to grease the skids of the financing process by furnishing the down-payment that purchaser should legitimately make and hide that fact from the lender. We will continue to target mortgage fraud because it harms both our financial institutions as well as the integrity of the market."

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

The case was investigated by special agents of the FBI. The case is being prosecuted by Assistant U.S. Attorney Cynthia Oberg.