



U.S. Department of Justice

United States Attorney
Southern District of Mississippi

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MISSISSIPPI BROKER GETS OVER SIXTEEN YEARS IN PRISON
FOR MORTGAGE LOAN FRAUD SCHEME

Jackson, Mississippi – Mark J. Calhoun was sentenced in U.S. District Court this week, following his earlier conviction on mortgage fraud charges, to serve 16 years and eight months in federal prison, U.S. Attorney John M. Dowdy, Jr., FBI Special Agent in Charge Daniel McMullen, and IRS Criminal Investigation Special Agent in Charge James C. Lee announced today.

Also sentenced in connection with the mortgage loan fraud scheme were co-defendants J. Larry Kennedy, who was sentenced to five years in prison, and Keith M. Kennedy, who was sentenced to six years in prison. The judge also ordered forfeiture in the amount of \$10 million for each defendant.

Two other defendants, who pled guilty in January of 2010, were also sentenced this week. Mark Calhoun's daughter, April Calhoun, was sentenced to six months home confinement, and Willie Jones was sentenced to serve 37 months in prison.

A federal jury convicted former mortgage loan originator Mark J. Calhoun and former loan closing agents J. Larry Kennedy and Keith M. Kennedy of conspiracy to commit mail and wire fraud, conspiracy to launder money, multiple counts of wire fraud, and multiple counts of money laundering in relation to their roles in a mortgage fraud conspiracy and scheme.

Between September 2004 and at least through September 2006, while operating in the Jackson-metro area as Loan Closing & Title Services, Inc., the Kennedys and their co-conspirators provided fraudulent loan documents to various lenders; thereafter, the Kennedys disbursed proceeds from the fraudulent loans to Mark J. Calhoun, April Calhoun, Willie Jones, and their respective companies, as fictitious creditors. As part of the scheme, on some of the fraudulent loans the Kennedys falsely notarized loan documents during the loan closing process that were relied upon by the lenders to demonstrate that the specific borrower personally appeared at the loan closing and signed the closing documents in the presence of the loan closing agent in order to retrieve the mortgage loan proceeds.

“Mortgage fraud is one of the most serious economic crimes, and it has contributed significantly to the current economic crisis of our country and communities,” said U.S. Attorney Dowdy. “Mortgage fraud schemes not only harm lending institutions, but local cities and counties who end up having to bear the cost of lost tax revenue from foreclosed and abandoned properties. Ultimately, it is the taxpayers and legitimate borrowers who bear the most harm from these crimes. The sentences handed down in this case should serve as a clear warning to others who contemplate this type of crime. We will continue to aggressively prosecute individuals who perpetrate these kind of devastating financial crimes against our communities.”

James C. Lee, Special Agent in Charge of Internal Revenue Service Criminal Investigation stated: "We are pleased with the sentencing of these cases. These types of crimes create a significant loss of tax revenue, drive buyers into foreclosure, leave lenders burdened with bad loans, and neighborhoods with abandoned and deteriorating properties. Special Agents of IRS Criminal Investigation are highly skilled investigators who will continue to work with the US Attorney's Office and other federal agencies to ensure that those engaged in illegal activities such as money laundering and tax violations are brought to justice."

Daniel McMullen, Special Agent in Charge of the FBI in Mississippi, stated: "The FBI views mortgage fraud as a significant and growing crime problem. Combating fraud in this area is a priority due to the impact of the mortgage lending and housing market on the nation's economy. As in this case, the FBI strongly supports joint investigations to effectively leverage investigative resources and subject matter expertise. I applaud the cooperative effort and dedication of the FBI and IRS Special Agents, and the U.S. Attorney's Office, which resulted in the sentences handed down."

The case was prosecuted by Assistant United States Attorneys Carla J. Clark and Jerry L. Rushing as a result of a joint investigation by federal agents with IRS-CI, FBI, and FDIC-OIG who participate with other federal, state, and local agencies in the Jackson Financial Crimes Task Force.