



U.S. Department of Justice

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CONVICTIONS IN MANUFACTURED HOME LOAN FRAUD INVESTIGATION

LITTLE ROCK, AR – Bud Cummins, United States Attorney for the Eastern District of Arkansas announced that a federal trial jury in Little Rock, Arkansas returned a guilty verdict late Thursday against Debra Jean Price, 52. Price was convicted of one count of conspiracy to commit mortgage loan fraud. Two other defendants, Debby Cossitt, 53, of Searcy, Arkansas, and Shannon Hill, age unavailable, both pled guilty during the middle of the trial. Cossitt pled guilty to one count of conspiracy to commit mortgage loan fraud and one count of filing a false income tax return for 1998. Shannon Hill pled guilty to one count of conspiracy to commit mortgage loan fraud.

“These cases are difficult to try because of their complexity and the number of documents involved, but they are important,” said Cummins. “The agents and prosecutor who tried the case are to be commended for their sticktoitiveness.”

Cossitt, owner/manager-operator, of several manufactured home sales companies in Searcy, Batesville, Jonesboro, and Harrison, Arkansas, admitted to fraudulently submitting falsified mortgage loan applications and supporting documents to lenders in order to increase sales. These actions allowed higher credit risk customers to appear more qualified for mortgage loans. Additionally, Cossitt admitted to not reporting over \$32,000 in income on her 1998 federal income tax return from cash sales for wheels and axles no longer needed once manufactured homes were delivered to customers.

Price and Hill were both employed by Cossitt. From April 22, 2002, until approximately November 2003, all three conspired to submit misleading and false statements to lending institutions. These misrepresentations included falsified customer bank statements with inflated balances, falsified cashier's checks reflecting an inflated customer down payment, inflated W-2

forms, falsified pay stubs or wage and earning statements, and falsified customer loan applications. Additionally, Hill and Cossitt participated in “telephone audits” with mortgage lenders, impersonating customers and/or directing customers to make misrepresentations directly to lenders.

This investigation was conducted by IRS Criminal Investigation and the Federal Bureau of Investigation.

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