



**United States Department of Justice  
United States Attorney's Office  
District of Minnesota**



# News Release

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## **Three charged in \$4.2 million mortgage fraud scheme**

Earlier today in federal court in St. Paul, three people were charged with orchestrating a scheme to defraud mortgage lenders out of approximately \$4.2 million relative to a Minnetonka development. Sheri Lynn Delich, age 45, of Apple Valley; My Dinh Lam, age 30; of Minneapolis, and Ashley Elizabeth Prasil, age 26, of Eden Prairie, were charged via an Information with one count of conspiracy to commit mortgage fraud. In addition, Delich was charged with one count of money laundering.

From December 18, 2006, through December of 2007, the defendants allegedly conspired to defraud mortgage lenders in connection with the marketing of the Cloud 9 Sky Flats development ("Cloud 9"). The defendants allegedly found buyers to apply for mortgage loans to purchase units in the development, the defendants and the buyers knowing that each buyer would receive a kickback of approximately 30 percent of the reported purchase price of any unit. The forms submitted to the lenders did not disclose the kickbacks to buyers. The kickback payments were allegedly returned to the buyers through an account controlled by Delich and funded with loan proceeds. Once she received kickback money, Delich allegedly skimmed off a percentage of it for herself and others and then delivered the balance to the appropriate buyer. She did not disclose these payments to the lenders.

More than 40 Cloud 9 units were sold through the scheme, and more than 80 percent of the loans have since defaulted. In excess of \$4.2 million was transferred to accounts allegedly controlled by Delich. As for the money laundering charge, Delich is alleged to have accepted a wire transfer of \$120,123 in fraud proceeds.

If convicted, the defendants face a potential maximum penalty of five years in prison, and Delich faces a potential maximum penalty of 20 years for money laundering. All sentences will

be determined by a federal district court judge.

This case is the result of an investigation by the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigation Division. It is being prosecuted by Assistant United States Attorney Robert M. Lewis.

This law enforcement action is in part sponsored by the interagency Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. It includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch and, with state and local partners, investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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