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# **News Release**

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## **Lawyer sentenced for stealing more than \$3 million in mortgage fraud scheme**

A 40-year-old lawyer from Hudson, Wisconsin, was sentenced earlier today in federal court in Minneapolis for stealing more than \$3 million in a mortgage fraud scheme. United States District Court Judge Patrick J. Schiltz sentenced Jason Eric Fischer to 50 months in prison on one count of mail fraud and one count of money laundering. Fischer was charged on January 28, 2010, and pleaded guilty on February 9, 2010. Judge Schiltz also ordered Fischer to pay more than \$3 million in restitution.

In his plea agreement, Fischer admitted that from 2006 through May of 2009, he orchestrated a scheme to divert funds from the escrow account at Real Source Title, a company he jointly owned and managed. The company, which had offices in Mahtomedi and Burnsville as well as in Illinois and Hudson, Wisconsin, routinely accepted wire transfers and checks from buyers and lenders. Those funds were to be held in escrow for the sole purpose of closing residential real estate transactions. Fischer, however, used the diverted funds for personal benefit.

Following today's sentencing, Kelly R. Jackson, Special Agent in Charge of the Internal Revenue Service-Criminal Investigation Division's St. Paul Field Office, said, "Mortgage fraud causes much harm to individuals, businesses, and our economy; but today's sentencing is a strong reminder how serious our courts consider this criminal activity. Those who line their pockets with profits from these schemes should know they will be held accountable and brought to justice."

To further his scheme, Fischer represented to buyers, lenders, underwriters, and others that the money deposited into the company's escrow account was, in fact, used only to close real estate transactions. He made those representations by producing and mailing false HUD-1

settlement statements to people of interest. In truth, however, Fischer regularly withdrew escrow-account money to pay for personal and business expenses as well as to fund prior company real estate transactions. In 2008, for example, Fischer invested approximately \$500,000 in escrow dollars into the opening and operation of a restaurant.

Between 2006 and May of 2009, Fischer diverted approximately \$3 million from the escrow account at Real Source Title; and by May 2009, the account was depleted and unable to fund 15 loans. As a result, buyers, sellers, lenders, underwriters, and others suffered significant financial loss.

After today's sentencing, Ralph S. Boelter, Special Agent in Charge of the Federal Bureau of Investigation's Minneapolis Field Office, reminded the public that the FBI remains steadfast in its commitment to investigating mortgage fraud and related-fraud schemes aggressively.

This case was the result of an investigation by the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigation Division. It was prosecuted by Assistant U.S. Attorney Joe Dixon.

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