



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



News Release

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Two plead guilty in \$4.2 million mortgage fraud scheme

MINNEAPOLIS – Earlier today in federal court in the District of Minnesota, two people pleaded guilty to their roles in a scheme that defrauded mortgage lenders out of approximately \$4.2 million. My Dinh Lam, age 30, of Minneapolis, and Ashley Elizabeth Prasil, age 27, of Eden Prairie, pleaded guilty to one count of conspiracy to commit wire fraud in connection with the scheme. The defendants, who were charged on April 21, 2011, entered their pleas before United States District Court Judge Susan Richard Nelson in St. Paul.

In their plea agreements, the defendants admitted that from December 18, 2006, through December of 2007, they conspired to defraud mortgage lenders in connection with the marketing of the Cloud 9 Sky Flats ("Cloud 9"), a Minnetonka development. The defendants admitted that the scheme involved finding buyers to apply for mortgage loans to purchase units in the development, knowing that each buyer would receive a kickback of approximately 30 percent of the reported purchase price of any unit. The application forms submitted to the lenders did not disclose these kickbacks. The kickback payments were returned to the buyers through an account controlled by a co-conspirator, with a portion skimmed off and shared among the defendants. 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 controlled by Sheri Lynn Delich, a person who has been charged by Information in this case.

For their crimes, the defendants face a potential maximum penalty of five years in prison. Judge Nelson will determine their sentences at a future hearing, yet to be scheduled.

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 U.S. 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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