



***United States Attorney
Southern District of New York***

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**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL,
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**FBI
JIM MARGOLIN, MONICA McLEAN
PUBLIC INFORMATION OFFICE
(212) 384-2720, 2715**

**FOUR INDICTED IN MORTGAGE FRAUD SCHEME
INVOLVING OVER \$10 MILLION IN LOANS**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation, announced the unsealing of charges against SHARMON HOWELL, a/k/a "Sharmon Wade," DAVID MOORE, JUNE PERSAUD, and OSCAR ANCRUM, a/k/a "Red," a/k/a "Manny," for their roles in a "sub-prime" mortgage fraud scheme involving more than two dozen loans which totaled over \$10 million. HOWELL, 35, of Queens, New York, was arrested earlier this morning in Manhattan and is expected to be presented later today in Manhattan federal court. PERSAUD, 45 of Brooklyn, New York, is expected to surrender to authorities tomorrow. MOORE, 40, of Brooklyn, New York, and ANCRUM, 54, of New York, New York, remain at large. According to the Indictment unsealed in Manhattan federal court earlier today:

From 2006 through 2007, HOWELL was the leader of a scheme to obtain dozens of home mortgage loans by fraud. Specifically, the defendants submitted to various banks and lenders mortgage applications and supporting documentation which contained false and misleading information. The defendants obtained over \$10 million in sub-prime mortgages for individuals and on terms that the lender would not have approved had the defendants not submitted the fraudulent documents.

To further the fraud scheme, the defendants recruited individuals, or "straw buyers," to purchase properties in and around New York City. The straw buyers were recruited from, among other places, a halfway house in New York City that served individuals recently released from prison and a public housing

complex in Brooklyn. The defendants told the straw buyers that, by purchasing the homes, they would be assisting sellers who were trying to save their homes from foreclosure and/or that purchasing the homes would be a good investment opportunity. Several of the straw buyers were also told that they would not have to worry about paying the mortgage because the defendants would make payments for several months, and thereafter would repurchase and/or sell the properties from the straw buyers.

The defendants typically obtained mortgages on behalf of the straw buyers for amounts greater than the actual sale price of the homes. To do so, the defendants obtained fraudulent appraisals for the homes, and misrepresented to the lenders various material facts about the straw buyers' income, assets, debts, and intent to live in the properties they were purchasing.

After obtaining these mortgages, the defendants distributed among themselves the difference or "spread" between the price of the house and the inflated value of the mortgage. Thereafter, in some instances, the defendants rented the property out and made mortgage payments for a time before allowing the mortgage to go into default; in other instances, the defendants simply failed to make mortgage payments as promised, resulting in the straw buyers of certain of the properties going into default on the mortgage. Currently the vast majority of the mortgages obtained by the defendants are in default and/or foreclosure.

Each defendant is charged with one count of conspiracy to commit bank fraud and wire fraud. In addition, HOWELL and MOORE are charged with six counts of bank fraud and two counts of wire fraud; PERSAUD is charged with two counts of bank fraud and one count of wire fraud; and ANCRUM is charged with two counts of bank fraud. The conspiracy charge and the bank fraud charges each carry a maximum potential sentence of thirty years in prison and a fine of the greater of \$1 million, or twice the gross gain or loss resulting from the crime. Each wire fraud charge carries a maximum sentence of twenty years in prison and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime.

The Indictment also seeks the forfeiture of \$10 million from the defendants. The forfeitures represent the alleged proceeds obtained from the charged offenses.

The case is assigned to United States District Judge GEORGE B. DANIELS.

Mr. DASSIN praised the investigative work of the Federal Bureau of Investigation.

Assistant United States Attorneys AMANDA KRAMER and MARK LANPHER are in charge of the prosecution.

The charges and allegations contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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