



*United States Attorney  
Southern District of New York*

**FOR IMMEDIATE RELEASE**

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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**

**USSS**  
**PEDRO ESCANDON**  
**PUBLIC INFORMATION OFFICE**  
**(718) 840-1144**

**FOUR INDICTED IN \$3 MILLION MORTGAGE FRAUD AND  
FORECLOSURE RESCUE SCHEME**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, JOSEPH M. DEMAREST JR., the Assistant Director-in-Charge of the Federal Bureau of Investigation's New York Field Division ("FBI"), and BRIAN G. PARR, the Special Agent-in-Charge of the New York Field Office of the United States Secret Service ("USSS"), announced the filing yesterday of a six-count Indictment against LAVETTE M. BILLS, KIRK LACEY, OMAR HENRY, and PETER CHEVERE, charging them with perpetrating a mortgage fraud scheme involving loans totaling over \$3 million on at least six different residences. BILLS, 36, of Briarcliff Manor, New York, and LACEY, 36, of Pembroke Pines, Florida, were previously charged in a criminal Complaint filed in Manhattan federal court on March 17, 2009. HENRY, 26, of the Bronx, New York, and CHEVERE, 21, also of the Bronx, New York, surrendered to authorities this morning and are expected to be presented later today in Manhattan federal court.

According to the Indictment filed yesterday in Manhattan federal court:

BILLS was the Chief Executive Officer of MTC Real Estate, Inc., in the Bronx, and LACEY, HENRY, and CHEVERE all worked for MTC during various periods between 2008 and in or about March 2009. BILLS targeted homeowners who had fallen behind on their mortgage payments and whose homes were facing

foreclosure by running radio advertisements and appearing on radio programs representing that she was a foreclosure specialist and had the ability to keep a home from going into foreclosure. BILLS and LACEY were then able to convince some of these homeowners to sell or transfer their homes to BILLS or to a company BILLS controlled, NNI, LLC. This was usually done via a "short sale," in which the lender agreed to sell the property for less than the balance owed on the loan and to discharge the remainder of the loan. In at least one case, involving a residence on Tinton Avenue in the Bronx, BILLS convinced the homeowner to place BILLS' name on the deed to the house and to "gift" the equity in the house to BILLS, in return for BILLS' fraudulent promise to transfer the house back to a relative of the homeowner. However, without the knowledge of either the lenders who approved the short sales, or of the selling homeowners, BILLS and LACEY or their co-conspirators "flipped" the properties to third-party straw buyers at a higher price, usually on the same day or within a short period of time. The sales price in the second transactions--the "flips" -- was often significantly higher--typically by \$150,000 or more -- than the short sale price, yet the homeowners typically received little or no money from the sale of their homes.

To accomplish this, BILLS and LACEY deceived both the straw buyers and the lenders who were providing the mortgages to finance the purchases. In some instances, the straw buyers thought that they were helping the homeowner "save" his or her home from foreclosure, or they were told that they were purchasing an investment property. The straw buyers were also often told that they would not need to make mortgage payments on the property, either because the payments would be made on their behalf, or because the payments would be covered by the rental income from the property. The defendants convinced lenders to give the straw buyers mortgages to purchase properties the straw buyers could not otherwise afford by falsifying certain personal and financial information about the straw buyers. For example, the defendants prepared and submitted to the lenders documents containing false statements about the straw buyers' employment, income, and assets.

As a result of their fraud, the defendants profited from their "flips" of the properties; the homeowners lost title to their homes; the straw buyers became liable on hundreds of thousands of dollars they were unable to repay; and the lenders suffered losses from those loans, which eventually went into default.

Each defendant is charged with one count of conspiracy to commit bank fraud and wire fraud. In addition, BILLS is charged with three counts of bank fraud, one count of wire fraud, and one count of false statements; LACEY is charged with one count of wire fraud and one count of bank fraud; and HENRY and CHEVERE are charged with one count of bank fraud. The conspiracy charge, bank fraud charges, and false statement charge each carry a maximum potential sentence of thirty years in prison and a fine of the greater of \$1,000,000 or twice the gross gain or loss resulting from the crime. The 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 forfeiture of the alleged proceeds obtained from the charged offenses.

The case is assigned to Chief United States District Judge KIMBA M. WOOD.

Mr. DASSIN praised the work of the FBI and USSS for their assistance in this case.

Assistant United States Attorneys AMY LESTER and JASON MASIMORE 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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