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**FOUR CHARGED IN WHITE PLAINS FEDERAL COURT
IN \$2.8 MILLION MORTGAGE FRAUD SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, JANICE K. FEDARCYK, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), and PETER ZEGARAC, the Inspector-in-Charge of the New York Division of the United States Postal Inspection Service ("USPIS"), announced that PAULETTE GABBIDON, a/k/a "Paulette Hibbert," a/k/a "Paulette Webb," a/k/a "Alliyah Adstroy," a/k/a "Alliyah Hibbert," JASON LEWIS, and JOYCE LEWIS were arraigned last Friday in White Plains federal court on a Superseding Indictment charging them in 27 counts with conspiring to commit bank fraud and to make false statements to financial institutions, bank fraud, and making false statements to financial institutions. They had previously been charged in a five-count Indictment unsealed in June that was part of a nationwide mortgage fraud sweep. That Indictment charged them with one count of conspiring to commit bank fraud and four counts of bank fraud. A fourth defendant named in the Superseding Indictment, JAMON LEWIS, voluntarily surrendered last Tuesday. He was arraigned and released on bail conditions.

According to the Superseding Indictment:

GABBIDON was associated with businesses known as Mortgage Opt Corporation, Alliyah Advisory Group, Alliyah I Property Management Group, Alliyah I Advisory Group and Alliyah Hibbert Incorporation. For two years, from August 2003 through August 2005, GABBIDON, JASON LEWIS, JOYCE LEWIS, and JAMON LEWIS

engaged in a scheme to defraud three financial institutions, National City Bank/National City Home Equity (hereafter, "NCB"), Wells Fargo Bank, and IndyMac Bank, by obtaining equity lines of credit and a mortgage through these financial institutions by submitting false and fraudulent information to the financial institutions.

In four instances, they obtained equity lines of credit from NCB on residential properties that did not actually exist but were represented to be located in Rockland County, New York, and New Jersey (hereafter, the "Fake Properties"). In other instances, they obtained equity lines of credit and mortgages on properties using the names and purported employment and financial information of other people, as well as other false information (hereafter, the "False Information Properties"). These properties were also located in Rockland County, New York, and New Jersey.

In order to obtain the loans, GABBIDON, JASON LEWIS, JOYCE LEWIS, and JAMON LEWIS submitted and caused to be submitted to NCB, Wells Fargo, and IndyMac certain documents, including, among other things, forms entitled "Loan or Line Registration/Submission Form," loan applications, earnings statements, IRS Forms W-2, and appraisals that contained materially false and misleading information. For example, the loan applications for the Fake Properties misrepresented that the properties actually existed at the locations. Appraisals submitted in support of loan applications for the Fake Properties and certain False Information Properties were not appraisals for those properties, but were appraisals for other properties that had been altered and made to appear as if they were appraisals for the Fake Properties and False Information Properties. IRS Forms W-2 and earnings statements submitted and represented to be documents evidencing the employment and income history of the purported borrowers on the loans for the Fake Properties and certain False Information Properties were not genuine documents relating to the purported borrowers but had been altered and made to appear as if they were genuine. In furtherance of the scheme to defraud, and in connection with six of the loans, GABBIDON also acted as the settlement agent by falsely representing to NCB that she was an attorney.

After the loans were obtained, monthly payments were made for a short period of time and then stopped altogether. Thereafter, the loans went into default, leading the lenders to charge off the loans as losses or foreclose on the property. As a result of the scheme, GABBIDON, JASON LEWIS, JOYCE LEWIS and JAMON LEWIS obtained more than \$2,800,000.

Following their arraignment before U.S. Magistrate Judge GEORGE A. YANTHIS, GABBIDON, JASON LEWIS, and JOYCE LEWIS

were released on bail conditions. If convicted, they face a maximum term of five years in prison for the conspiracy count. They also face fines of up to \$250,000 or twice the gross gain or loss resulting from that offense. GABBIDON, 40, of Quincy, Massachusetts, who was named in every count, also faces a maximum term of 30 years' imprisonment on each of the bank fraud and false statements counts and fines of up to \$1 million or twice the gross gain or loss resulting from the crimes on each count. In addition to the conspiracy count, JASON LEWIS, 35, was named in four bank fraud and four false statement counts, for which he faces a maximum penalty of 30 years' imprisonment and fines of up to \$1 million or twice the gross gain or loss resulting from the crimes on each count. In addition to the conspiracy count, JOYCE LEWIS, 56, of Elmsford, New York, was named in three bank fraud and three false statement counts, for which she faces a maximum penalty of 30' imprisonment and fines of up to \$1 million or twice the gross gain or loss resulting from the crimes on each count. In addition to the conspiracy count, JAMON LEWIS, 35, of Elmsford, New York, was named in one bank fraud and one false statement count, for which he faces a maximum penalty of 30 years' imprisonment and fines of up to \$1 million or twice the gross gain or loss resulting from the crimes on each count. All four defendants also face orders of restitution in the amount of \$2,852,400 and forfeiture of ill-gotten gains.

Mr. BHARARA praised the work of the FBI and the USPIS. He added that the investigation is continuing.

Assistant U.S. Attorney MARGERY B. FEINZIG of the Office's White Plains Division is in charge of the criminal prosecution.

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