



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

615 Chestnut Street
Suite 1250
Philadelphia, Pennsylvania 19106-4476
(215) 861-8200

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COCHRANVILLE MAN CHARGED IN MORTGAGE FRAUD SCHEME

A 41-count indictment¹ was unsealed today charging John J. McElroy with orchestrating a mortgage fraud scheme that resulted in more than \$4 million in losses to mortgage companies, banks, and credit unions, announced United States Attorney Zane David Memeger. According to the indictment, McElroy orchestrated the scheme in which he and others entered into sham real estate purchases and falsified documents to obtain mortgage loans and equity payouts on numerous properties. As part of his fraudulent scheme, McElroy allegedly established fake companies and submitted false claims to obtain funds, when, in reality, his companies conducted no business and rendered no services. In total, McElroy is alleged to have fraudulently purchased and/or refinanced 13 properties. At a detention hearing held today, U.S. Magistrate Judge Timothy R. Rice ordered McElroy to be released on home confinement with electronic monitoring.

McElroy is charged with 17 counts of wire fraud, three counts of making false statements on loan applications, 11 counts of money laundering, and 10 counts of monetary transactions.

INFORMATION REGARDING THE DEFENDANT

NAME	ADDRESS	AGE
John J. McElroy	Cochranville, Pennsylvania	53

If convicted of all charges. McElroy faces a maximum possible sentence of 920 years in prison, \$28,000,000 in fines, supervised release, and a special assessment.

The case was investigated by the Federal Bureau of Investigation and is being prosecuted by Assistant United States Attorney Michelle Rotella.

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT, PENNSYLVANIA
Suite 1250, 615 Chestnut Street
Philadelphia, PA 19106**

**Contact: PATTY HARTMAN
Media Contact
215-861-8525**

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¹An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

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