



Department of Justice

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Northern District of Georgia

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NEW YORK LOAN BROKER ARRAIGNED ON CHARGES OF DEFRAUDING CUSTOMERS OF \$1.2 MILLION

ATLANTA - A New York broker has been indicted for conspiring to defraud 350 financially strapped customers of more than \$1.2 million. Kenneth J. Enrico, 46, of Bohemia, New York, was arraigned today on a federal indictment before United States Magistrate Janet F. King on one count of conspiracy, three counts of mail fraud, and thirteen counts of wire fraud. The federal grand jury indicted Enrico on February 19, 2013.

“The public is once again reminded that if a deal sounds too good to be true, it usually is,” said United States Attorney Sally Quillian Yates. “The charges against Enrico reflect our continuing commitment to protect our more financially vulnerable victims from the fraudsters who prey upon them.”

According to United States Attorney Yates, the charges and other information presented in court, between June 2011 and August 2012, Enrico offered property buyers private lender loans of 105% of the property’s selling price at a 4.99% interest rate, regardless of the buyer’s credit score, as long as the buyers had jobs that generated enough income to qualify for the loan amount and monthly payments. Enrico required the buyers to pay him an up-front fee of \$2,500 per loan, which he claimed covered loan processing fees and the appraisal. Enrico publicized his offer through several brokers, two of whom were located in the metropolitan Atlanta area. The broker tacked on additional fees.

More than 350 individuals responded to Enrico’s pitch and sent in more than \$1.2 million in up-front fees either to Enrico directly or through the brokers. Enrico approved all of the buyers for loans. However, none of the buyers ever received a loan from Enrico. He gave the buyers numerous excuses as to why their loans never closed. Not only did the buyers lose the fees paid to Enrico, they lost the earnest money they paid to the sellers of the properties they were trying to buy when their sales contracts expired. The buyers often relied on Enrico’s excuses and entered into sales contracts on second

properties with additional earnest money payments, which they later lost when Enrico never funded their loans.

The charges each carry a maximum statutory penalty of 20 years in prison and a fine of up to \$250,000. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

Members of the public are reminded that the indictment only contains charges. The defendant is presumed innocent of the charges and it will be the government's burden to prove his guilt beyond a reasonable doubt at trial.

This case is being investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorney David Leta is prosecuting the case.

For further information please contact the U.S. Attorney's Public Information Office at USAGAN.PressEmails@usdoj.gov or (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.justice.gov/usao/gan.

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