

Department of Justice

United States Attorney William J. Hochul, Jr.
Western District of New York

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CONTACT: BARBARA BURNS
PHONE: (716) 843-5817
FAX: (716) 551-3051

ILLINOIS MAN PLEADS GUILTY TO MORTGAGE FRAUD AND IDENTITY THEFT

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Julius Willard, 55, of Chicago, Il., pleaded guilty before U.S. District Judge Richard J. Arcara, to bank fraud and aggravated identity theft. The charges carry a maximum penalty of 30 years in prison, a fine of \$1,000,000 or both.

Assistant U.S. Attorney Maura K. O'Donnell, who is handling the case, stated that while employed as a mortgage broker in the Atlanta, Georgia area, the defendant submitted fraudulent mortgage applications to various financial institutions, including HSBC Bank. The victim financial institutions issued in excess of 35 mortgage loans in response to the fraudulent applications. Nearly all of the properties that were the subject of these mortgages ultimately went into foreclosure, resulting in a loss of over \$7,000,000 to the victim financial institutions.

Willard was part of a scheme wherein individuals were recruited to apply for mortgages and purchase income properties. The defendant then submitted mortgage applications on behalf of the borrowers. In doing so, he included false information in the borrowers' loan applications as to their employment, salary, and residency; and included fraudulent pay stubs, employment verification forms, and bank statements as supporting documentation.

At the time he engaged in this conduct, the defendant was ineligible to work as a licensed mortgage broker, due to his criminal record. Willard utilized identifying information of another individual to gain employment with a mortgage brokerage firm and to carry out his scheme to defraud the financial institutions.

This law enforcement action is part of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

The plea was the culmination of an investigation on the part of Special Agents of the Federal Bureau of Investigation, under the direction of Special Agent in Charge, Christopher M. Piehota, along with Special Agents of the Housing and Urban Development Office of Inspector General, Atlanta, Georgia office, and the United States Attorney's Office for the Northern District of Georgia.

Sentencing is scheduled for Aug. 6, 2012 at 1:00 p.m., in Buffalo, N.Y., before Judge Arcara.

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