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January 16, 2015
FOR IMMEDIATE RELEASE
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**MORTGAGE BROKER SENTENCED IN TWO SEPARATE FRAUD SCHEMES
RESULTING IN LOSSES OF OVER \$2 MILLION**

*Falsified Home Buyers' Information to Generate Fraudulent Loan Applications
in Order to Collect Commissions, Origination and Broker's Fees*

Greenbelt, Maryland - U.S. District Judge Peter J. Messitte sentenced Emeka Udeze, age 39, of Bowie, Maryland, today to 37 months in prison followed by five years of supervised release for conspiring to commit wire fraud in connection with two separate mortgage fraud schemes. Judge Messitte also entered an order that Udeze pay restitution and forfeit \$2,098,378, the amount of actual losses suffered by the mortgage lenders as the result of the minimum of 20 transactions Udeke brokered in furtherance of the fraud schemes.

The sentence was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Kathy A. Michalko of the United States Secret Service - Washington Field Office; Special Agent in Charge Fran Mace of the Federal Deposit Insurance Corporation, Office of Inspector General; Special Agent in Charge Cary A. Rubenstein of the Housing and Urban Development, Office of Inspector General; Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation; Special Agent in Charge Michael Tompkins, Washington Field Office, U.S. Department of Justice Office of the Inspector General; Howard County Police Chief Gary Gardner; Special Agent in Charge Brian Murphy of the United States Secret Service - Baltimore Field Office; and Howard County State's Attorney Dario Broccolino.

According to his plea and court documents, Udeze was a licensed mortgage broker who worked at various companies, including Newgate Mortgage, owned by co-defendant Shola Risikat Balogun, and EWA Mortgage. Udeze also registered a Maryland company called E&T Consulting, Inc., which he claimed was established to provide general services.

Udeze admitted that in both schemes, he submitted fraudulent mortgage loan applications for buyers, inflating the buyer's income and creating bogus employment information in an effort to qualify these individuals for loans that they otherwise were unqualified to secure. In some cases, no mortgage payments were made and the property went swiftly into default. In other cases, the borrowers attempted to make mortgage payments for a period of time until they could no longer make payments.

In the first scheme, from at least 2006 through at least December 2008, Udeze, Balogun, Daniel Ofei and others contacted individuals who wished to purchase homes. The buyers, who typically had moderate to low incomes, provided the conspirators with accurate income and employment information. Udeze and others then submitted fraudulent loan applications on behalf of the buyers, inflated the buyer's income and created bogus employment information in an effort to secure the loan. Udeze, Balogun and others collected origination fees, commissions, yield spread premiums and broker's fees from each loan that closed. In all, Newgate Mortgage was responsible for originating nearly 100 fraudulent transactions, causing millions of dollars of losses to lending institutions.

In a separate scheme, from May 2009 to January 2010, Udeze conspired with Bonnie Kreamer, Nieshia Williams and Rhonda Scott to arrange for individuals to buy and sell real estate so they could improperly obtain money from the transactions. The co-conspirators used many fraudulent techniques, including: short sales in which the property would be sold for a higher price than the seller was aware of; sales of properties not owned by the seller; multiple sales of the same property at the same time; the seller and/or buyer were shown different settlement statements and the conspirators used the difference in sales price to enrich themselves; and money that should have been paid to lien holders was instead disbursed to the co-conspirators, including shell companies created by Udeze and others in order to disguise that the money was really for their benefit. This fraud scheme involved at least 25 victims, including lenders, sellers and buyers of real estate, title insurance companies and lien holders, who incurred losses of over \$3 million.

Bonnie Kathleen Kreamer, a/k/a Bonnie Meehan, age 49, of Riva, Maryland; Shola Risikat Balogun, age 48, of Upper Marlboro; Rhonda Scott, age 53, of Oxon Hill, Maryland; Daniel Ofei, age 40, of Bowie, Maryland; Nieshia Williams, age 35, of Fort Washington, Maryland; Gregory Green, age 50, of Waldorf, Maryland; and Demetrius Peete, age 47, of Manassas, Virginia, each previously pleaded guilty to their roles in the fraud schemes. Kreamer, who was responsible for the daily operations at Sanford Title, was sentenced on to 51 months in prison, and ordered to pay restitution of \$2,499,048 to the victims and forfeit \$4.8 million. Scott was sentenced to 30 months in prison and ordered to forfeit \$2.7 million and pay restitution of \$703,000. Balogun, who organized the mortgage fraud scheme involving Newgate Mortgage, was sentenced to 37 months in prison and ordered to pay restitution and forfeit \$1,352,378. Ofei, was sentenced to 37 months in prison and ordered to pay restitution of \$5,950,000. Williams was sentenced to 27 months in prison and ordered to forfeit \$3.1 million and pay restitution of \$1,445,593. Peete was sentenced to a year and a day in prison and ordered to pay restitution of \$394,908 and forfeit \$1.5 million. Green was sentenced to three months in prison and ordered to pay restitution of \$404,596.

The Maryland Mortgage Fraud Task Force was established to unify the agencies that regulate and investigate mortgage fraud and promote the early detection, identification, prevention and prosecution of mortgage fraud schemes. This case, as well as other cases brought by members of the Task Force, demonstrates the commitment of law enforcement agencies to protect consumers from fraud and promote the integrity of the credit markets. Information about mortgage fraud prosecutions is available http://www.justice.gov/usao/md/priorities_financialfraud.html.

Today's announcement is part of efforts underway by President Obama's Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities;

addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Since the inception of FFETF in November 2009, the Justice Department has filed more than 12,841 financial fraud cases against nearly 18,737 defendants including nearly 3,500 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

United States Attorney Rod J. Rosenstein commended the U.S. Secret Service, FDIC and HUD-OIG for their work in the investigation of the first scheme; and the FBI, DOJ OIG, Howard County Police Department, Secret Service and Howard County State's Attorney's Office for their work in the investigation of the second scheme. Mr. Rosenstein thanked Assistant U.S. Attorney Sujit Raman, who prosecuted the first case, and Assistant United States Attorney Harry Gruber and Special Assistant United States Attorney Colleen McGuinn assigned to this case from the Howard County States Attorney's Office, who prosecuted the second case.