

Mortgage Broker Indicted in \$10 Million Fraud Scheme

Monday, November 27, 2006 -

MIAMI, FL - Federal and state law enforcement agents, announced the unsealing of a forty-seven (47) count indictment against eleven individuals for their participation in a complex mortgage fraud scheme involving more than thirty (30) properties bought and sold in Broward County. The fraud resulted in the issuance of approximately \$10,000,000 in mortgage loans. This investigation was named "Operation Whose House," because, as a result of the defendants' fraud, public property records did not accurately reflect the true ownership of the properties bought and sold by these defendants.

Charged in the Indictment are defendants Yvette Scott Patterson, 40, formerly of Lauderhill and now in Jamaica, Delroy Patterson, 45, formerly of Lauderhill and now also in Jamaica, Christine Brown, 30, of Fort Lauderdale, Megan McGuire, 40, of Miramar, Roosevelt Dozier, 39, of Hollywood, Ishmael Grant, 59, of Lauderhill, Mavis Grant, 62, of Lauderhill, Adewui Majaro, 42, of North Miami, Mark Reid, 36, of Miramar, Audrey Lynch, 36, of Fort Lauderdale, and Fitzgerald Puddie, 32, of Hollywood and Toronto, Canada. All defendants are charged in a conspiracy to commit mail fraud, wire fraud and aggravated identity fraud, and with several substantive counts of mail fraud, wire fraud and aggravated identity fraud. Defendant Yvette Scott Patterson is individually charged with making a false statement in a passport application in July 2003.

According to the Indictment, the defendants engaged in a scheme to enrich themselves by obtaining mortgages from lenders using straw purchasers and through the submission of false documentation, including false loan applications, false employment verification forms, false salary statements, and false bank account statements reflecting high account balances. The defendants also allegedly used and caused others to use false or stolen Florida's driver's licenses, identification cards, and social security numbers as their personal identification at closings, in order to purchase property in the names of individuals whose identification documents had been previously stolen.

According to the Indictment, defendant Yvette Scott Patterson masterminded the scheme, and used her mortgage business, Khadmilroy Inc., located in Broward County, to execute it. The Indictment lists seventeen (17) properties, all in Broward County, purchased with loans obtained through fraudulent applications and supporting documentation in the names of straw purchasers or in the names of persons whose identification documents, including social security numbers and driver's licenses, had been previously stolen. Over the period of the conspiracy, defendant Yvette Scott Patterson received approximately \$300,000 in loan closing fees, mortgage broker fees, and yield premiums in connection with the fraudulently procured mortgages.

United States Attorney Acosta stated, " These defendants were well-organized and dedicated to getting rich at the expense of others. We will not allow the victims of identity theft to be victimized over and over by those involved in illegal get-rich quick schemes. Thanks to the dedicated efforts of our law enforcement partners, we have put this fraud ring out of business."

William Sims, Special Agent in Charge of the Miami office of the U.S. Secret Service, stated, "The investigative efforts of our law enforcement community have severed the tentacles of an identity theft ring which threatened the American dream of real estate ownership. This case signifies our commitment to pursuing attacks on South Florida's financial stability."

"To victimize again residents and citizens whose identities have been compromised and stolen is a serious crime and will not be tolerated," said FDLE Special Agent in Charge Amos Rojas Jr. "Aggressive investigations with our law enforcement partners and the prosecutions of these crimes are the keys to bringing these criminal organizations to justice. Those who prey on the citizens of Florida will be caught."

"The Office of Financial Regulation continues to work with federal, state, and local authorities to fight mortgage fraud. We are committed to do whatever is necessary to help eliminate financial fraud in Florida," said Don Saxon, Commissioner of the Florida Office of Financial Regulation.

Ed Moreno, Special Agent in Charge of the Miami office of the U.S. Department of State's Diplomatic Security Service, stated, "Today's investigation is an example of the outstanding cooperation between federal, state, and local law enforcement agencies in South Florida. The Diplomatic Security Service will continue to lend its expertise to help investigate and prosecute cases involving passport and visa fraud."

Of the eleven, four made their initial appearances in federal court this morning before the Hon. Magistrate Judge Lurana Snow in Ft. Lauderdale. Defendants Yvette Scott Patterson and Delroy Patterson are considered fugitives, presently in Jamaica, and their extradition will be sought by the United States Department of Justice Office of International Affairs. The remaining defendants will be appearing in federal court in the near future. The case has been assigned to U.S. District Court Judge William P. Dimitrouleas in Ft. Lauderdale.

If convicted, the defendants face a maximum term of imprisonment of up to five years on the conspiracy count (Count 1), up to twenty years' imprisonment on each of the mail and wire fraud counts (Counts 2 - 20), from two to fifteen years' imprisonment on the aggravated identity fraud counts (Counts 21- 46), and up to ten years' imprisonment on the false passport count (Count 47).

Mr. Acosta commended the investigative efforts of the agents and investigators from the Florida Office of Financial Regulation, the Florida Department of Law Enforcement, the U.S. Secret Service, and the U.S. Postal Inspection Service. In addition, Mr. Acosta thanked the United States Department of State, Diplomatic Security Service, for its assistance in the investigation. This investigation and prosecution is being handled by Assistant United States Attorney Jeffrey Kay.

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