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## Missouri man pleads guilty to mortgage fraud

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A Missouri man pleaded guilty Friday to his role in a large area mortgage fraud case.

James Sparks, 35, of Lawson, pleaded guilty in federal court in Kansas City, Kan., to one count of conspiracy to commit mortgage fraud, U.S. Attorney for Kansas Eric Melgren said in a release.

Sparks was indicted along with Kansas City-area developer F. Jeffrey Miller, 46, of Stanley, Kan., and co-defendants Stephen W. Vanatta, 43, and Hallie Irvin, 27, both of Lenexa, and Sandra Harris, 40, of Overland Park.

Miller is awaiting trial on charges that he organized a \$25 million scheme relying in part on mortgage fraud.

"The conspirators targeted home buyers with credit problems, luring them with promises of purchasing a home with little or no down payment," Melgren said in the release. "They falsified loan applications in order to obtain federally insured loans. They urged buyers to move in before closing, making it harder for the buyers to back out when the conspirators increased home prices shortly before closing."

In a plea entered during a hearing before U.S. District Judge Julie Robinson, Sparks admitted that he acted as a loan broker as part of the scheme, Melgren said. Sparks was paid commissions on 17 loans he had brokered as part of the conspiracy.

Miller and Vanatta referred buyers to Sparks to get them approved for financing, prosecutors claim. Sparks, who worked with federally insured lenders and knew their underwriting requirements, falsified financial information, rent verification and other documents to get buyers approved for loans.

To inflate contract sales prices, Miller and Vanatta and others provided Sparks with names of appraisers who were willing to fraudulently increase appraisals using inflated sales transactions for comparison, Melgren said in the release. Houses used to compare sales prices were built by Miller under various company names.

When Miller and Vanatta learned that government investigators were looking into Miller's activities, they instructed Sparks to destroy incriminating evidence in the case, including an original sales contract for \$200,000 that Sparks had in his office files, Melgren said.

Sparks faces as much as five years in federal prison and a fine of as much as \$250,000. Sentencing is set for June 11. Along with Miller, Vanatta and Irvin also are awaiting trial in the case.

Miller also is awaiting trial on a May 17 indictment in which he was charged with conspiracy to commit bank fraud and other counts along with defendants Todd Earnshaw, Brian Rouse, Angela Parenza, Elizabeth Hessel, James Moser, Steve Middleton and Lanny Ross.

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