



## FOR IMMEDIATE RELEASE

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CONTACT HUD OIG MEDIA RELATIONS: [OIGMediaRelations@hudoig.gov](mailto:OIGMediaRelations@hudoig.gov)

### **Illinois Man Sentenced in Scheme to Fraudulently Obtain Over \$800K in Mortgages**

WASHINGTON DC— An Illinois man was sentenced today in federal court to seven months for his role in a scheme to defraud financial institutions in connection with over \$800,000 in loans.

Lamar Spells, 60, of Flossmoor, was sentenced by U.S. District Judge Steven C. Seeger of the Northern District of Illinois, who also ordered Spells to pay \$276,788 in restitution, joint and severally. In April 2023, Spells pleaded guilty to one count of an indictment charging him with bank fraud.

The announcement was made by Inspector General Rae Oliver Davis of the U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) and Special Agent in Charge Machel Jindra of HUD OIG's Midwest region.

"HUD OIG is committed to protecting the integrity of federal housing programs and bringing justice to those who abuse these programs for personal gain," said HUD OIG Special Agent in Charge Jindra. "We will continue to work with our law enforcement partners to investigate and hold accountable bad actors and protect the programs that HUD beneficiaries rely on."

As he admitted as part of his plea agreement, from approximately October 2012 through March 2020, Spells acted as a document maker to provide false documents for borrowers to qualify them for loans for which they would otherwise not have qualified. During this time, Spells and his co-conspirators fraudulently obtained over \$1 million in mortgage loans, vehicle loans, and credit card accounts by making materially false and fraudulent representations to various financial institutions regarding the borrowers' qualifications for the loans and credit. Spells admitted to his involvement in creating documents as part of a scheme to commit fraud in connection with three properties with federally insured mortgages totaling approximately \$802,544, of which \$512,544 was insured by the U.S. Department of Housing and Urban Development (HUD) through the Federal Housing Administration (FHA) mortgage program.

As part of this scheme, Spells created several documents containing false information about a borrower's assets and income, for the purpose of fraudulently improving the borrower's credit application to qualify for a mortgage to purchase real estate.

Spells also admitted to continuing to accept money for creating false documents for approximately 30 individuals for their use in fraudulently obtaining loans and extensions of credit from March 2020 to after his August 2020 arrest.

The case was investigated by HUD OIG, the Federal Bureau of Investigation and was prosecuted by the Assistant U.S. Attorney Rick D. Young of the Northern District of Illinois.

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to HUD programs should contact the HUD OIG Hotline at 1-800-347-3735 or visit, <https://www.hudoig.gov/hotline>. For media inquiries, contact us at [OIGMediaRelations@hudoig.gov](mailto:OIGMediaRelations@hudoig.gov).

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