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United States Attorney  
Northern District of Illinois

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FOR IMMEDIATE RELEASE

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**CHICAGO BUSINESSMAN ARRAIGNED ON FRAUD CHARGES IN CONNECTION WITH  
\$7 MILLION REVERSE MORTGAGE SCHEME THAT TARGETED ELDERLY HOMEOWNERS**

CHICAGO — A Chicago businessman has been arraigned on federal fraud charges for his alleged role in a scheme to bilk elderly homeowners out of millions of dollars.

MARK STEVEN DIAMOND, a mortgage loan originator with offices in Chicago and Calumet City, engaged in a home repair and loan fraud scheme that targeted elderly homeowners and lenders, according to the indictment. Diamond fraudulently caused lenders to make reverse-mortgage loans to homeowners who either did not sign up for the loans or did so unwittingly after Diamond intentionally misrepresented the terms, the indictment states. Diamond fraudulently pocketed the loan checks by causing title company representatives, including an unindicted co-schemer, to provide the checks to Diamond rather than the homeowners. The indictment seeks forfeiture of \$7 million from Diamond.

Diamond, 60, of Chicago, pleaded not guilty at his arraignment Wednesday to seven counts of wire fraud. U.S. District Judge Robert M. Dow Jr. scheduled a status hearing for Aug. 28, 2017, at 9:00 a.m.

The indictment was announced by Joel R. Levin, Acting United States Attorney for the Northern District of Illinois; Brad Geary, Special Agent-in-Charge of the U.S. Department of Housing

and Urban Development's Office of Inspector General in Chicago; and Michael J. Anderson, Special Agent-in-Charge of the Chicago office of the Federal Bureau of Investigation.

According to the indictment, Diamond targeted his victims, who ranged in age from 62 to 97, based on the equity in their homes and their relative lack of financial sophistication. If a victim's relative questioned Diamond on the need for a reverse mortgage, Diamond would schedule a time to visit the victim's home when he knew the relative would not be there, the indictment states.

Also charged in the indictment is CYNTHIA WALLACE, 47, of Chicago. Wallace solicited homeowners to have home repairs performed by Diamond, knowing that Diamond would not actually perform the work, the indictment states. Wallace, who used the aliases "Shree Box," "Regina Johnson," and "Sherry Rice," also posed as a representative of the U.S. Department of Housing and Urban Development to fraudulently obtain money from victims, the indictment states.

Wallace has pleaded not guilty to nine counts of wire fraud and two counts of falsely pretending to be an employee of the United States.

The public is reminded that an indictment is not evidence of guilt. The defendants are presumed innocent and entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The government is represented by Assistant U.S. Attorneys Brian Netols and Matthew Ebert.

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