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**MORTGAGE BROKER PLEADS GUILTY 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 - Emeka Udeze, age 38, of Bowie, Maryland, pleaded guilty today to conspiring to commit wire fraud in connection with two separate mortgage fraud schemes which resulted in over \$2,013,478 of actual losses to mortgage lenders.

The guilty plea was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge David Beach of the United States Secret Service – Washington Field Office; Inspector General Jon T. Rymer of the Federal Deposit Insurance Corporation; Special Agent in Charge Joe Clarke of the Housing and Urban Development Office of Inspector General - Office of Investigations; Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation; Special Agent in Charge Gene E. Morrison, Washington Field Office, U.S. Department of Justice Office of the Inspector General; Howard County Police Chief William McMahan; Acting Special Agent in Charge Lisa Quinn of the United States Secret Service – Baltimore Field Office; and Howard County State's Attorney Dario Broccolino.

According to his plea, 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, among other things.

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 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 profited from these fraudulent transactions by collecting origination fees, commissions, yield spread premiums and broker's fees from each loan that closed.

In a separate scheme, from May 2009 to January 2010, Udeze, co-defendant Niesha Williams, and others, arranged for individuals to buy and sell real estate so they could improperly obtain money from the transactions. Udeze, Williams and others submitted fraudulent loan applications, created multiple versions of settlement statements to deceive lenders, lien holders, buyers and sellers; and arranged for proceeds from mortgage transactions to be disbursed to shell companies created by Udeze and others in order to disguise that the money was really for their benefit. Co-conspirators also failed to make required disbursements of settlement funds to pre-existing lien holders, funneling the money instead to themselves.

For example, Udeze made arrangements for an individual, C.H., to purchase 4853 Brookstone Terrace, Unit 29, Bowie, Maryland 20720 from an individual with the initials D.H. Udeze also had a personal relationship with C.H., who trusted him. Udeze admitted that he prepared and sent a fraudulent loan application to the lender, which included false statements about C.H.'s employment, income, her bank accounts, and the bank account balances, so that C.H. could obtain a loan of approximately \$250,000 and purchase the property for \$255,000. Udeze and Williams prepared a false HUD-1 Settlement Statement for C.H. and the lender, which falsely represented that the purchase price of the property was \$255,000. Udeze knew that Williams had prepared a second HUD-1 Settlement Statement for D.H., which listed a sales price of \$200,000. The difference between the loan amount and the true sales price was \$50,000 in extra cash at settlement. A total of \$31,000 was sent from the title company's escrow account to E&T Consulting, Inc., for Udeze's benefit and Williams received \$10,000 from the sale. These payments were not listed on the HUD-1 Settlement Statement.

As part of his plea agreement, Udeze will be required to pay restitution and forfeit \$2,013,478, the amount of actual losses suffered by the mortgage lenders as the result of the at least 20 transactions Udeke brokered in furtherance of the fraud schemes.

Udeze faces a maximum penalty of 30 years in prison and a \$1 million fine on each of the two counts of conspiracy to commit wire fraud. U.S. District Judge Peter J. Messitte did not set a date for sentencing.

Shola Risikat Balogun, age 46, of Upper Marlboro and Niesha Williams, age 33, of Fort Washington, Maryland, each previously pleaded guilty to their role in the fraud schemes. No sentencing date has been scheduled for them at this time.

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 [www.justice.gov/usao/md/Mortgage-Fraud/index.html](http://www.justice.gov/usao/md/Mortgage-Fraud/index.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. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit [www.stopfraud.gov](http://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, Department of Justice - 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 is prosecuting 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 are prosecuting the second case.