



Homebuilder Indicted in an Alleged \$14.7 Million Construction Investment Scheme

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 10:44 AM March 2, 2012

The Federal Bureau of Investigation (FBI) on March 1, 2012 released the following:

“BALTIMORE—A federal grand jury indicted Patrick J. Belzner, a/k/a “Patrick McCloskey,” age 42, of Glen Arm, Maryland, yesterday for conspiring to commit wire fraud arising from an investment fraud scheme. The indictment was unsealed today upon the arrest of the defendant.

The indictment was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Richard A. McFeely of the Federal Bureau of Investigation; and Acting Special Agent in Charge Eric C. Hylton of the Internal Revenue Service-Criminal Investigation, Washington, D.C. Field Office.

According to the indictment, from at least August 2009 to August 2011, Belzner, a homebuilder, and a co-conspirator also in the home building business, targeted individuals seeking investment opportunities or commercial real estate development lending. Belzner, who falsely presented himself as “Patrick McCloskey” with certain investors, instructed the victims that in order to obtain loans for commercial real estate projects, the purported lenders required that large sums of money be deposited in an escrow bank account to show “liquidity.”

The indictment alleges that in order to gain their victims’ confidence, Belzner and his co-conspirators caused victim investors and borrowers to enter into escrow agreements which stated that no person other than the victims had the ability to remove the escrowed funds without the victims’ permission. Belzner

told the victims that a co-conspirator had to be the attorney assigned as the escrow agent.

The indictment alleges that Belzner and his co-conspirator fraudulently withdrew approximately \$14,730,780 from the escrow accounts and used these stolen funds to satisfy their business and personal debts. To conceal their scheme, Belzner and his co-conspirators allegedly e-mailed fabricated bank statements to victims that misrepresented the escrow account balance and the date by when the investors’ money would be returned. Belzner and his co-conspirators also used funds fraudulently obtained from some victim investors to repay money owed to previous victim investors, or to other individuals to whom the conspirators owed debts.

The indictment seeks forfeiture at least \$14,730,780, the amount of money stolen from victim investors.

Belzner faces a maximum sentence of 20 years in prison and a fine of \$250,000 or twice the value of the gain or loss. Belzner had his initial appearance today in federal court in Baltimore.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

This law enforcement action is part of President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of

criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

United States Attorney Rod J. Rosenstein thanked the FBI and IRS-CI for their work in the investigation. Mr. Rosenstein praised Assistant U.S. Attorneys Sean O’Connell and Sujit Raman, who are prosecuting the case.”

Douglas McNabb – McNabb Associates, P.C.’s

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Douglas McNabb and other members of the U.S. law firm practice and write and/or report extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

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U.S. Files False Claims Act Lawsuit Against Florida-based Federal Grant Recipient

(USDOJ: Justice News)

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The United States has filed a complaint under the False Claims Act against the

Florida-based Technological Research and Development Authority (TRDA), the Justice Department announced today.



Oregon Man Convicted for Helping Thousands Steal Internet Service

(USDOJ: Justice News)

Submitted at 10:28 AM March 2, 2012

Ryan Harris, 26, was the owner of TCNISO, a company that distributed products enabling users to steal Internet service.