



Four Indicted in an Alleged \$7 Million Mortgage Fraud Scheme

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The Federal Bureau of Investigation (FBI) on December 7, 2011 released the following:

“COLUMBUS— A federal grand jury has charged a title agent, her husband, an employee, and an associate with devising a scheme to defraud at least four lending institutions out of approximately \$7,092,300 in mortgage loans between April 2006 and April 2008.

Carter M. Stewart, United States Attorney for the Southern District of Ohio; Darryl Williams, Special Agent in Charge, Internal Revenue Service Criminal Investigation (IRS), Edward J. Hanko, Special Agent in Charge, Federal Bureau of Investigation (FBI) and other agencies participating in a mortgage fraud task force announced the indictment today.

Named in the indictment are

- Deborah L. Kistner, 49, Hilliard, who operated title companies in Hilliard doing business as Premiere Title and Coast to Coast Title.
- Mark A. Kistner, 50, Deborah Kistner's husband.
- Philip H. Ennis, 36, Galloway, who was employed by Deborah Kistner to process real estate title documents and perform closings through Premiere Title.
- Jaime L. Smith, 42, Hopewell, who was employed at a company known as Platinum Mortgage to arrange for and broker loans for Deborah Kistner and Ennis.

The alleged scheme involved the defendants and others arranging for prospective investors to purchase properties throughout central Ohio. The investors were promised cash back at the time they purchased the home, as well as a lucrative investment property. The Kistners are accused of buying approximately six homes as investment properties.

The homes were typically new-build homes purchased directly from the builder. Smith was one who recruited buyers, with the assistance of other co-conspirators, by explaining that they could

buy homes with no down payment and at the closing of the property receive money generated by the loan proceeds back for personal use. This money was to be disguised as an “advisory fee” or “finders’ fee.” The investors were advised to create companies and register Limited Liability Corporations to which the cash kickbacks could be directed. In several instances, the HUD-1 Settlement Statements prepared by the title company and sent to lenders did not disclose any cash back to the property purchasers or their associated corporations.

The alleged scheme also involved including false statements about the buyer's income and assets and about the source of the down payments, in order to obtain mortgage financing from lenders, and concealing the kickbacks allegedly paid to investors, including the Kistners. The kickbacks ranged from approximately \$35,000 to \$110,000.

The indictment charges Deborah L. Kistner with two counts of conspiracy to commit bank and wire fraud, and five counts of bank fraud, each punishable by up to 30 years in prison. She is also charged with two counts of conspiracy to commit money laundering and three counts of money laundering, each punishable by up to ten years in prison. And she is charged with four counts of wire fraud, each punishable by up to 20 years in prison.

Mark Kistner is charged with two counts of conspiracy to commit bank and wire fraud, four counts of bank fraud, two counts of conspiracy to commit money laundering, four counts of money laundering, and one count of wire fraud.

Ennis faces one count of conspiracy to commit bank and wire fraud, one count of conspiracy to commit money laundering, two counts of bank fraud, three counts of money laundering, and three counts of wire fraud.

Smith is charged with one count each of conspiracy to commit bank and wire fraud, conspiracy to commit money laundering, and wire fraud.

All will be summoned to appear by Senior U.S. District Judge George C. Smith who will preside over the case.

Stewart commended the cooperative investigation of this case by IRS and FBI agents, and Assistant U.S. Attorney Laura Denton, who is prosecuting the case.

The investigation by the task force has already led to charges against Jerry Ryan Moore, 36, of Dublin who pleaded guilty to one count of conspiracy and was sentenced in March 2011 to five years' probation and ordered to pay \$278,630 in restitution to the victim lender., Jeffrey A. Corry, 44, of Galena who pleaded guilty in September 2011 to one count of conspiracy to commit money laundering, and David Brentley, 51, of Pataskala who pleaded guilty to one count of money laundering. Brentley was sentenced today to 13 months in prison followed by three years of supervised release, a \$1,000 fine and ordered to pay restitution of \$1,965,041 to the victim financial institutions jointly and severally. Corry is awaiting sentencing.

An indictment merely contains allegations, and the defendants are presumed innocent unless proven guilty in a court of law.”

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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**Statement of Attorney General
Eric Holder Before the U.S.
House of Representatives
Committee on the Judiciary**

(USDOJ: Justice News)

Submitted at 10:07 AM December 8, 2011

"For nearly three years, I have been privileged to work with this Committee to strengthen national security and law enforcement. And I am extremely proud of our record of achievement," said Attorney General Holder.