



## Kirby Lofts Trio Pleads Guilty

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

Submitted at 3:07 PM December 27, 2011

The Federal Bureau of Investigation (FBI) on December 22, 2011 released the following:

“HOUSTON— Derwin Frazier, Veronica Frazier, and Felton Greer have pleaded guilty for their respective roles in connection with fraudulently obtaining home loans in the Kirby Lofts condominium complex and others, United States Attorney Kenneth Magidson announced today.

Derwin Frazier, 45, of Pearland, Texas, pleaded guilty to one count of conspiracy to launder money, while Veronica Frazier, 43, also of Pearland, pleaded to one count of conspiracy to commit wire fraud arising from a scheme to defraud residential lenders in connection with single family residences and individual condominium purchases in a building located at 917 Main Street in Houston, also known as the “The Kirby Lofts.” Greer pleaded guilty to one count of filing a false income tax return for failing to report funds he was paid to act as a borrower on the loans.

The fourth superseding criminal information alleged the Kirby Lofts and other single family homes were sham sales. From about December 2004 to October 2006, Derwin Frazier recruited individuals with good credit to act as borrowers in applications for mortgage

loans to purchase units in Kirby Lofts and elsewhere. Co-conspirators assisted these “straw borrowers” with providing false information and documents, including bogus letters and false verifications of bank balances, to induce lenders to fund residential home purchases. Derwin and Veronica Frazier submitted invoices for payment from loan proceeds and used the money to pay themselves and straw borrowers from loan proceeds.

U.S. District Judge Lee Rosenthal, who accepted the pleas today, has set sentencing for May 15, 2012, at 9:00 a.m. At that time, Derwin Frazier faces up to 10 years’ imprisonment, while Veronica Frazier and Greer face a maximum five and three years, respectively. All three also face a fine of up to \$250,000. All defendants have also agreed to pay restitution, as ordered by the court.

Today’s pleas bring the total to five people who have pleaded guilty for their roles in the Kirby Lofts mortgage fraud scam. Brenda East, 50, currently incarcerated on an unrelated matter, and Duane Wardell, 49, of Palestine, Texas, previously pleaded guilty to conspiracy to commit wire fraud and are pending sentencing on April 25 and May 18, 2012, respectively. With the exception of East, all defendants have been released on bond.

The investigation leading to the charges was conducted by the FBI and Internal

Revenue Service-Criminal Investigations. Assistant United States Attorneys Belinda Beek and Martha Minnis are prosecuting the case.

The case is part of President Barack Obama’s Financial Fraud Enforcement Task Force and was part of “Operation Stolen Dreams,” a nationwide dragnet which targeted mortgage fraudsters throughout the country, the largest collective enforcement effort ever brought to bear in confronting mortgage fraud.”

---

Douglas McNabb – McNabb Associates, P.C.’s  
Federal Criminal Defense Attorneys  
Videos:

[Federal Crimes – Federal Indictment](#)

---

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#). 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.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at [mcnabb@mcnabbassociates.com](mailto:mcnabb@mcnabbassociates.com) or at one of the offices listed above.