U.S. Department of Justice

Southern District of Indiana

United States Attorney

10 West Market Street *(317)226-6333*

Suite 2100
Indianapolis, Indiana 46204-3048

TDD (317)226-5438

FAX NUMBERS:
Criminal (317)226-6125
Administration (317)226-5176
Civil (317)226-5027
FLU (317) 226-6133
OCDETF(317)226-5953

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CONTACT PERSON:
SUSAN W. BROOKS
United States Attorney
(317) 226-6333
FOR IMMEDIATE RELEASE:

INDIANAPOLIS MAN CHARGED IN MULTI-MILLION DOLLAR MORTGAGE FRAUD SCHEMES

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that JAMES LEE SPICER, 32, Indianapolis, Indiana, was charged yesterday with crimes related to mortgage fraud activities in which he participated between late 2000 and October 2002. According to the Information filed yesterday, SPICER was charged with two counts of conspiracy to commit mail fraud for his participation in two separate conspiracies to fraudulently obtain large amounts of money from lending institutions by submitting false loan applications, fraudulent financial documents, and falsely inflated appraisals for the purpose of obtaining mortgage loans. In both cases, SPICER was the appraiser hired by co-conspirators to prepare the falsely inflated appraisals. Today's charges follow an investigation by the

Internal Revenue Service, the United States Postal Inspection Service and the Federal Bureau of Investigation, working as part of the Southern District of Indiana Mortgage Fraud Task Force.

Both counts of the Information allege similar schemes involving different mortgage brokerage companies in central Indiana. In both cases, co-conspirators purchased residential properties in low income neighborhoods. A short time later, they entered into transactions to sell the properties at a price far exceeding the value of the property. They recruited individuals to be the purchasers in the second sales and, in many cases, provided the down payments for these individuals to purchase the properties. In order to obtain financing for these second sales, they submitted false loan applications and false supporting documentation, including false appraisals showing that the properties were worth two to four times as much as they were actually worth. The co-conspirators fraudulently obtained and shared funds obtained from the loans. Most of the loans later went into default and were the subject of foreclosure proceedings.

According to Count One of the Information, between late 2000 and early 2002, SPICER prepared approximately eighty-three (83) fraudulent appraisals for Promised Land Mortgage LLC, a mortgage brokerage business in Indianapolis. As a result, Promised Land Mortgage was able to obtain financing from ABN-AMRO Mortgage Group, Inc., a Michigan lending institution, on these properties. The total amount of loans fraudulently obtained from ABN-AMRO was approximately $4,207,400.00. ABN-AMRO subsequently suffered losses on these properties of approximately $2,712,400.00.

According to Count Two of the Information, between early 2002 and October 2002, SPICER prepared approximately fifty-six (56) fraudulent appraisals for American Saving Mortgage, another mortgage brokerage business in Indianapolis. As a result, American Savings Mortgage was able to obtain financing from First Bank, Inc., a Kentucky lending institution, on these properties. The total amount of loans fraudulently obtained from First Bank was approximately $2,906,500.00. First Bank subsequently suffered losses on these properties of approximately $2,095,600.00.

In a plea agreement filed with the Information, SPICER has agreed to plead guilty to both of the charges against him.

Ten other individuals have been indicted in the American Savings Mortgage conspiracy. They are set for trial in October 2005 before U.S. District Court Judge Sarah Evans Barker.

According to Assistant United States Attorney Susan Heckard Dowd, who is prosecuting the case for the government, SPICER faces a maximum possible prison sentence of 10 years and a maximum possible fine of $500,000.00. An initial hearing will be scheduled for SPICER before a U.S. Magistrate Judge in Indianapolis.

The information is an allegation only, and the defendant is presumed innocent unless and until proven guilty at trial or by guilty plea.

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