



Department of Justice



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Six North Texans Indicted in Mortgage Fraud Conspiracy

SHERMAN, Texas – Six North Texans have been indicted and arrested in connection with a mortgage fraud conspiracy in the Eastern District of Texas, announced U.S. Attorney John M. Bales today.

A five-count indictment was returned by a federal grand jury on Apr. 12, 2013 charging the following individuals with conspiracy to commit mail and wire fraud:

Lawrence Michael Day, 63, of Fort Worth
Donna Shirley Cobb, 52, of Aledo, Texas
Bryan Jerome Scott, 42, of Spring, Texas
Michael Jerome Edwards, 40, of Flower Mound/Lewisville, Texas
Scott Cameron Sherman, 37, of Mansfield, Texas
Donald Lee Mattox, 40, of Mansfield, Texas

The indictment alleges that from Sep. 2005 through July 2008, the defendants conspired with each other to defraud lending institutions by obtaining mortgage loans using fraudulent information. According to the indictment, the defendants devised a scheme in which Day recruited buyers, such as Mattox, to submit fraudulent loan applications for home mortgages. To facilitate the scheme, Edwards and Scott, loan officers, falsified materials including employment and rental income on loan applications. Builders, such as Sherman and Mattox, permitted the actual purchase price of the homes to be overstated on the loan documents. Cobb, an escrow officer, prepared fraudulent documents reflecting false purchase prices and disbursements. The conspiracy extended to transactions on 28 Texas residential properties located in Fort Worth, Frisco, Fairview, Dallas, McKinney, Cedar Hill, Prosper, Cresson, Watauga, Euless, Hurst, Heath, Murphy, and Plano. Day, Edwards and Sherman are also charged with two counts of wire fraud and Day is charged with two counts of aggravated identity theft.

The defendants are scheduled to make initial appearances this afternoon before U.S. Magistrate Judge Amos Mazzant.

If convicted of the conspiracy charge, the defendants each face up to 30 years in federal prison. The wire fraud charges also carry a maximum penalty of 30 years in federal prison. The identity theft charges carry a penalty of two additional years in federal prison.

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.

This case is being investigated by the FBI and the FHFA-OIG and prosecuted by Assistant U.S. Attorney Chris Eason.

A grand jury indictment is not evidence of guilt and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

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