



SIGTARP

OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

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CONNECTICUT MAN PLEADS GUILTY TO DECADE-LONG MORTGAGE FRAUD SCHEME

WASHINGTON, DC – The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and David B. Fein, United States Attorney for the District of Connecticut, today announced that Robert Ilunga, 48, of Naugatuck, waived his right to indictment and pleaded guilty yesterday before United States Magistrate Judge Donna F. Martinez in Hartford to one count of conspiracy to commit wire fraud and one count of conspiracy to commit money laundering. The charges stem from Ilunga's participation in a multimillion-dollar mortgage fraud scheme that involved more than 40 properties located in Bridgeport, Conn.

"This long running fraud that has devastated communities in Bridgeport is over," said Christy Romero, Deputy Special Inspector General for SIGTARP. "Out of nothing more than pure greed, Ilunga and others defrauded mortgage lenders - including banks that received funds under TARP - by providing false information and forged documents to illegally obtain more than 40 mortgages in the greater Bridgeport, Conn. area. Many of the properties were foreclosed upon, and Bridgeport residents will deal with the consequences of the foreclosures for years to come."

According to court documents and statements made in court, Ilunga was involved in the operation of Waikele Properties Corp., a real estate company with offices at 3770 Main Street in Bridgeport and 320 Endo Boulevard in Garden City, N.Y. From approximately 2001 to August 2011, Ilunga conspired with New York residents Winston Shillingford and Marleen Shillingford, and others, to obtain fraudulent mortgages for the purchase of more than 40 multi-family properties in Bridgeport.

As part of the scheme, Ilunga, the Shillingfords and others purchased existing multi-family houses, and vacant parcels of land and erected new houses on them to sell. The co-conspirators recruited individuals to purchase the properties, acted as the buyers' real estate agent and assisted the buyers in applying for residential mortgage loans to purchase the houses. Ilunga's co-conspirators then prepared loan applications for the buyers that included fraudulent information concerning, among other things, the buyers' employment, income, assets and liabilities, previous property ownership and intention to make the properties their primary residences. The co-conspirators also provided false and fraudulent supporting documentation, including false letters from fictitious employers, false earnings statements, and fraudulent bank records. Some of those loan applications were submitted to banks that received funding under the Troubled Asset Relief Program.

After the loans were approved, the illicit proceeds of the scheme were wired into the Waikele Properties bank account and then transferred to Ilunga, the Shillingfords and others. Some of the proceeds also were used to continue the mortgage fraud scheme.

Contrary to the representations made on the loan applications, several straw purchasers never occupied the houses as their primary residences and subsequently defaulted on the loans. As a result of the scheme, mortgage lenders have suffered more than \$7 million in losses.

Ilunga is scheduled to be sentenced by United States District Judge Robert N. Chatigny on April 5, 2012, at which time Ilunga faces a maximum term of imprisonment of 40 years. The government also is seeking the forfeiture of 20 properties located in Bridgeport and \$26,372.32 that was seized from a bank account held by Waikele Properties.

Ilunga is detained pending sentencing.

Winston and Marleen Shillingford have pleaded guilty to the same charges and await sentencing.

This ongoing investigation is being conducted by SIGTARP, which investigates fraud, waste, and abuse in connection with TARP; the Internal Revenue Service - Criminal Investigation; the Federal Bureau of Investigation; and the U.S. Department of Housing and Urban Development's Office of Inspector General.

This case is being prosecuted by Assistant United States Attorneys Douglas P. Morabito and David T. Huang.

In July 2009, the U.S. Attorney's Office and the Federal Bureau of Investigation announced the formation of the Connecticut Mortgage Fraud Task Force to investigate and prosecute mortgage fraud cases and related financial crimes occurring in Connecticut. Citizens are encouraged to report any suspected mortgage fraud activity by calling 203-333-3512 and requesting the Connecticut Mortgage Fraud Task Force, or by sending an email to ctmortgagefraud@ic.fbi.gov.

The Connecticut Mortgage Fraud Task Force includes representatives from SIGTARP; the U.S. Attorney's Office; Federal Bureau of Investigation; Internal Revenue Service - Criminal Investigation; U.S. Postal Inspection Service; U.S. Department of Housing and Urban Development, Office of Inspector General; Federal Deposit Insurance Corporation, Office of Inspector General; and State of Connecticut Department of Banking.

This prosecution was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, which was established to wage an aggressive and coordinated effort to investigate and prosecute financial crimes. SIGTARP is a member of the task force. To learn more about the President's Financial Fraud Enforcement Task Force, please visit www.stopfraud.gov.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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