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Media Inquiries: 202-927-8940

Twitter: @SIGTARP

Web: www.SIGTARP.gov

CONNECTICUT MAN SENTENCED TO FEDERAL PRISON FOR MORTGAGE SCAM THAT DEFRAUDED TARP BANKS

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) today announced that Robert Ilunga, of Naugatuck, Conn., was sentenced on Friday by U.S. District Judge Alvin W. Thompson in Hartford, Conn., to 18 months in federal prison for operating a multimillion-dollar mortgage fraud scheme that involved more than 40 properties in Bridgeport, Conn. Ilunga will serve three years of supervised release upon his release from prison.

According to court documents and statements made in court, Ilunga and others were involved in the operation of Waikele Properties Corp., a real estate company with offices in Bridgeport and Garden City, N.Y. From approximately 2001 to August 2011, Robert Ilunga, Winston Shillingford, Marleen Shillingford, and others conspired to obtain fraudulent mortgages for the purchase of more than 40 multi-family properties in Bridgeport. As part of the scheme, Ilunga and his co-conspirators purchased existing multi-family homes as well as 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 homes. The 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 fraudulent supporting documentation with the loan applications, including false letters from fictitious employers, false earnings statements, and fraudulent bank records.

After the loans were approved, the illicit proceeds of the scheme were wired into the Waikele Properties bank account and then transferred to members of the conspiracy. Some of the proceeds were also 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.

"While the nation was mired in a housing crisis, Ilunga and his co-conspirators ripped-off TARP banks for millions of dollars and helped wreck the housing market in communities across Bridgeport," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Ilunga and others bought more than 40 properties in-and-around Bridgeport, recruited straw buyers - many of whom had no intention of actually living in the homes - to purchase them, and acted as real estate agents for the 'purchasers.' In order to obtain mortgages for the properties, Ilunga and others falsified information, such as lying that the properties would be primary residences; submitted fake employment and tax documentation; and lied about the creditworthiness of the purchasers to TARP banks and other mortgage lenders. The

properties that later fell into foreclosure were bad loans that cost the banks millions of dollars in losses. SIGTARP and our law enforcement partners stand united in bringing to justice those responsible for threatening taxpayers' TARP investments.”

The parties have agreed that victim financial institutions, which include TARP banks, suffered losses of between \$2.5 million and \$7 million as a result of this scheme. A restitution order will be issued after further court proceedings.

In January 2012, Ilunga pleaded guilty to one count of conspiracy to commit wire fraud and to one count of conspiracy to commit money laundering.

In October 2011, Winston and Marleen Shillingford each pleaded guilty to one count of conspiracy to commit wire fraud and to one count of conspiracy to commit money laundering. On last Tuesday, January 28, 2014, Winston and Marleen Shillingford were sentenced to federal prison terms of four and three years, respectively, for their roles in the scheme.

This investigation is being conducted by SIGTARP, 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 U.S. Attorneys Douglas P. Morabito and David T. Huang.

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.

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