



Department of Justice

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FEDERAL JURY CONVICTS REAL ESTATE INVESTOR IN MORTGAGE FRAUD SCHEME

DALLAS - U.S. Attorney Richard B. Roper announced that a federal jury convicted Vernon Cooks, Jr. a/k/a Jibreel Rashad on all counts of a federal indictment that charged him with operating a mortgage fraud scheme in the Dallas area from approximately May 2003, through December 2004.

Specifically, Cooks, age 40, was convicted of one count of bank fraud, seven counts of wire fraud, and six counts of money laundering. Cooks is scheduled to be sentenced by the Honorable Sam A. Lindsay, United States District Judge, on July 2, 2007. One other co-defendant who was involved in the same scheme has pled guilty and is awaiting sentencing. Co-defendant Deirdre Dione Anderson, who was charged with six counts of wire fraud, was acquitted.

The government presented evidence at trial that Cooks, who held himself out as real estate investor and the owner of "Rashad Investment Group," knowingly created a scheme to defraud mortgage lenders out of hundreds of thousands of dollars. Cooks used straw purchasers to buy single-family homes in the Dallas area for amounts far above fair market value. Straw purchasers testified that Cooks paid them to use their names and credit to purchase homes that Cooks was going to rent to others. Cooks told the straw purchasers he would pay all closing costs, mortgage payments and taxes associated with the properties until he transferred them out their names, within six months to a year after closing.

To support the inflated sales prices of the homes, Cooks used fraudulent appraisals. He also caused fraudulent loan applications and other supporting documents, including fraudulent tax returns, W2s, and employment, rent and deposit verifications, to be submitted to the mortgage lenders so that the straw borrowers would qualify for the inflated loans. Once the lenders funded the loans, Cooks used the fraudulently-obtained proceeds to pay off the original, bona-fide sellers and kept the rest of the funds for himself. Cooks then allowed the mortgage loans to default in the straw purchasers' names.

U.S. Attorney Roper praised the cooperative investigative efforts of the Federal Bureau of Investigation and the Federal Deposit Insurance Corporation - Office of Inspector General. The case is being prosecuted by Assistant U.S. Attorneys Tammy Reno and Marcus Busch.

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