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Former York County Real Estate Agent Convicted Of Wire Fraud And Money Laundering

FOR IMMEDIATE RELEASE

November 7, 2011

The United States Attorney's Office for the Middle District of Pennsylvania announced today that a former York County woman has been convicted of defrauding 14 mortgage lenders and 34 homeowners in Cumberland, Dauphin, York and Adams Counties out of more than \$6.2 million between 2006 and 2008.

According to United States Attorney Peter J. Smith, Joanne M. Seeley, age 41, formerly of East Berlin, PA, was found guilty today following a 6 day jury trial before United States District Court Judge Sylvia H. Rambo in Harrisburg on 4 counts of Wire Fraud and 4 counts of Money Laundering. Each count is punishable by a maximum of 20 years incarceration and a \$500,000 fine.

Seeley, who now lives in Texas, was a Pennsylvania licensed real estate agent until December 12, 2006, when she permanently surrendered her license in lieu of disciplinary action. Thereafter, in the Fall of 2007 Seeley became the primary owner and operator of a business in East Berlin known as S&D Property Solutions (S&D).

Testimony during the trial showed that Seeley devised and perpetrated a Foreclosure Rescue/Equity Skim scheme that fraudulently induced 14 mortgage lenders into making more than \$6.2 million in loans between 2006 and 2008.

Seeley would identify a residence scheduled for Sheriff's Sale and advise the homeowner he/she could avoid foreclosure by selling the home to her or one of her investor/buyers, who would then lease the property back to the homeowner after the sale. Seeley assured the homeowner the sale would allow him to pay off his personal debts, rebuild his credit rating, and allow him to qualify for a new mortgage when he bought back the home one year later. Seeley also promised the homeowners that any equity he had in the house would be held in escrow by the buyer after the sale as the seller's down-payment.

Seeley recruited and induced several Investor/ Buyers into participating in her program by assuring them they would be reimbursed for all out-of-pocket expenses, including their down payment plus an \$8,000 "fee" for engaging in the transaction after the closing.

Seeley also promised the buyers they would receive monthly rent from the homeowner that would cover most, if not all, of their mortgage payments. Some buyers were also promised an up front payment designed to make up the difference between their mortgage payments and the rent they received.

Seeley submitted a plethora of false documents to the mortgage lenders in order to induce them into approving unqualified buyers' loan applications. The false documents included false employment verifications, false leases, false rental income, and false occupancy verifications.

Seeley also submitted redacted sales contracts to the lenders that concealed the fact the buyer and seller had entered into buy-back agreements and the buyer's down payment was refunded to the buyer from the loan proceeds.

The trial showed that Seeley converted a significant portion of the \$6.2 million in loan proceeds, approximately \$2.3 million, to her own use.

Prior to the surrender of her license Seeley would charge the distressed homeowner an extremely high commission (as much as 40-47%) equal to the homeowner's equity in the property. Later, Seeley would

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simply have the homeowners sign over their entire sales proceeds checks to S&D Property Solutions.

Contrary to what the homeowners were promised, no funds were ever escrowed on their behalf. Instead, Seeley spent the money on her personal expenses and no homeowner was ever able to buy their home back.

Judge Rambo released Seeley on her own recognizance pending sentencing, which has not yet been scheduled by the court.

The case was investigated by the Harrisburg Office of the FBI and was prosecuted by Assistant United States Attorney Kim Douglas Daniel.

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