

*Handwritten:* RKM:USAO#2008R750

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND**

**UNITED STATES OF AMERICA**

**: CRIMINAL NO. JFM-09- 0435**

**v.**

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:**

**JAY LEONARD**

**: (Mail Fraud, 18 U.S.C. § 1341;  
: Wire Fraud, 18 U.S.C. § 1343;  
: Aiding and Abetting, 18 U.S.C. § 2)**

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**INDICTMENT**

**COUNT ONE**

The Grand Jury for the District of Maryland charges that:

**Introduction**

1. At all times relevant to this Indictment, Defendant **JAY LEONARD** and others participated in a multi-million dollar mail fraud and wire fraud scheme to purchase properties in Maryland, Virginia, and Washington, DC, using mortgage and settlement documents containing false statements and material misrepresentations. **JAY LEONARD** worked as a Title Agent for various companies, including Sterling Title Company, Aspen Title and Escrow Company, and Falcon Title LLC.

**The Scheme and Artifice to Defraud**

2. Beginning in or about February 2006, and continuing until in or about September 2008, in the District of Maryland and elsewhere,

**JAY LEONARD,**

the defendant herein, did devise a scheme and artifice to defraud individuals, banks and mortgage lenders by means of materially false and fraudulent pretenses, representations and promises.

3. It was a part of the scheme and artifice to defraud that **JAY LEONARD** worked with other individuals such as co-conspirators Osman Al-Bari, Wanda Alexander, Spencer Allen, and others to obtain approximately \$478,000 for a resort property that did not exist. **JAY LEONARD** and others made material misrepresentations to individual victims in Maryland, claiming to develop a \$10 million spa resort in Spotsylvania County, Virginia.

4. It was further part of the scheme and artifice to defraud that **JAY LEONARD** and others solicited funds from Maryland victims, knowing that the alleged spa resort did not exist. **JAY LEONARD** used his position as a “title agent” and falsely claimed that he was doing a closing for the spa resort. Relying on those representations, Maryland victims completed wire transfers of approximately \$478,000 from their Bank of America accounts in Maryland to the account of **JAY LEONARD** at Sterling Title in Virginia.

5. It was further part of the scheme and artifice to defraud that **JAY LEONARD** told the Maryland victims that he would place the \$478,000 in the Sterling Title escrow account for the spa resort “closing.” **JAY LEONARD** knew that this was false and fraudulent, as there was no spa resort and no spa resort closing. On the same day he received the \$478,000 wire transfer, **JAY LEONARD** sent the money from his Sterling Title Account to his co-conspirators Wanda Alexander and ultimately Osman Al-Bari.

6. It was also part of the scheme and artifice to defraud that **JAY LEONARD** served as the title agent for several straw purchasers who bought properties in Maryland, Virginia, and Washington, D.C. **JAY LEONARD** again conspired with Al-Bari, Alexander, along with Timothy Reed, Terrence White, and others to serve as the title and closing agent for approximately 20 properties. Al-Bari, Reed, White, and others recruited straw buyers to purchase properties under

false and fraudulent pretenses. The straw buyers used their name and credit to purchase the property, even though the properties were actually to be controlled and owned by Al-Bari, Reed, White, and others.

7. One of those straw buyers was co-defendant Sabrina Weinberg. Weinberg purchased four properties, including houses at 1429 W. Lombard Street, Baltimore, Maryland 21223; 34 Q and 32 Q Street, Washington, DC 20001; and 119 Bates Street NW, Washington, DC 20001. Weinberg was paid approximately \$40,000 (\$10,000 per property) for these purchases. The loan and mortgage documents used at closing disguised the true buyer of the property.

8. It was further part of this scheme and artifice to defraud that **JAY LEONARD** performed the closing for each of the straw buyers. For the Weinberg properties, **JAY LEONARD** had Weinberg sign false affidavits claiming that each property was her primary residence. **JAY LEONARD** and others knew that the false affidavits and other false loan documents were mailed to the banks and mortgage lenders to facilitate these fraudulent mortgage deals.

9. It was further part of this scheme and artifice to defraud that at closing, **JAY LEONARD** kicked back a portion of the settlement funds from the straw buyer properties to Al-Bari, Reed, and White. **JAY LEONARD** wired these funds to Al-Bari, Reed, and White under the disguise of the Brotherly Investment Group, which had a Sandy Spring Bank Account, in Olney, Maryland.

10. It was further part of this scheme and artifice to defraud that at closing **JAY LEONARD** disguised these wire transfers on the HUD-1 closing document as reimbursements for alleged “renovations” performed on the properties prior to closing. No such renovations ever occurred. At the closing, **JAY LEONARD** sent wire transfers to Al-Bari, Reed, and White totaling

\$515,820 for the Weinberg properties alone.

10. It was further part of this scheme and artifice to defraud that **JAY LEONARD** and others repeated this fraud scheme with approximately ten other straw purchasers. **JAY LEONARD** also had many of those straw purchasers sign false affidavits claiming the properties were their primary residence. **JAY LEONARD** did multiple closings for the straw purchasers at the same time. **JAY LEONARD** also performed the “closings” at various locations in Maryland, including in the parking lots of McDonald’s and other fast food establishments.

11. It was further part of this scheme and artifice to defraud that **JAY LEONARD** received the “closing funds” not from the alleged buyers of the property or their banks, but from Al-Bari, Reed, and White. This was another means of disguising from the banks and mortgage companies the true buyers of the property.

12. It was further part of this scheme and artifice to defraud that after closing **JAY LEONARD** provided the keys to the newly purchased houses to Al-Bari, Reed, and White and not to the straw buyer. **JAY LEONARD** and others knew that the straw buyers were a conduit to disguise the true nature of the property ownership.

13. Almost all of properties **JAY LEONARD** was involved with in this scheme went into foreclosure, causing substantial actual losses of over \$7,000,000. The settlement and loan documents for these straw buyers had multiple misrepresentations concerning the buyers’ real identities, ownership status, income and assets.

**The Charge**

14. On or about October 26, 2007, in the District of Maryland, and elsewhere,

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause Sterling Title, 201 King Street, Alexandria, Virginia 22314 to deposit with a private, commercial interstate carrier false and fraudulent mortgage settlement documents for property at 152 N. Potomac Street, Baltimore, Maryland 21224, which was delivered to American Bank, 9001 Edmonston Road, Suite 100, Greenbelt, Maryland 20770.

18 U.S.C. § 1341

18 U.S.C. § 2

**COUNT TWO**

The Grand Jury for the District of Maryland further charges that:

1. The allegations set forth in paragraphs 1 through 13 of Count One of the Indictment are hereby realleged and incorporated by reference as though fully set forth herein.

2. On or about August 28, 2007, in the District of Maryland, and elsewhere,

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause Sterling Title, 201 King Street, Alexandria, Virginia 22314 to deposit with a private, commercial interstate carrier false and fraudulent mortgage and loan documents for property at 146 N. Potomac Street, Baltimore, Maryland 21224, which was delivered to Lehman Brothers Bank, FSB, 400 Professional Drive, Gaithersburg, Maryland 20879.

18 U.S.C. § 1341

18 U.S.C. § 2

**COUNT THREE**

The Grand Jury for the District of Maryland further charges that:

1. The allegations set forth in paragraphs 1 through 13 of Count One of the Indictment are hereby realleged and incorporated by reference as though fully set forth herein.
2. On or about July 5, 2007, in the District of Maryland, and elsewhere,

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause Sterling Title, 201 King Street, Alexandria, Virginia 22314 to deposit with a private, commercial interstate carrier false and fraudulent mortgage and loan documents for property at 11516 Little Bay Harbor Way, Spotsylvania, Virginia 22553, which was delivered to Lehman Brothers Bank, FSB, 400 Professional Drive, Gaithersburg, Maryland 20879.

18 U.S.C. § 1341

18 U.S.C. § 2

**COUNT FOUR**

The Grand Jury for the District of Maryland further charges that:

1. The allegations set forth in paragraphs 1 through 13 of Count One of the Indictment are hereby realleged and incorporated by reference as though fully set forth herein.

2. On or about January 31, 2007, in the District of Maryland, and elsewhere,

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause Aspen Title, 4933 Auburn Avenue, Bethesda, Maryland 20814 to deposit with a private, commercial interstate carrier false and fraudulent mortgage and loan documents for property at 3424 E. Baltimore Street, Baltimore, Maryland 21224, which was delivered to First Magnus Financial, 1165 Northchase Parkway, Marietta, Georgia 30067.

18 U.S.C. § 1341

18 U.S.C. § 2



**COUNT FIVE**

The Grand Jury for the District of Maryland further charges that:

1. The allegations set forth in paragraphs 1 through 13 of Count One of the Indictment are hereby realleged and incorporated by reference as though fully set forth herein.
2. On or about May 12, 2006, in the District of Maryland, and elsewhere

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause Falcon Title, c/o Millennium Bank, NA, Reston, Virginia 20190 to transmit via electronic wire in interstate commerce false and fraudulent mortgage loan proceeds for property at 34 Q Street, NW, Washington, DC 20001, to Brotherly Investment Group, Sandy Spring Bank, Olney, Maryland 20832.

18 U.S.C. § 1343

18 U.S.C. § 2

**COUNT SIX**

The Grand Jury for the District of Maryland further charges that:

1. The allegations set forth in paragraphs 1 through 13 of Count One of the Indictment are hereby realleged and incorporated by reference as though fully set forth herein.
2. On or about May 12, 2006, in the District of Maryland, and elsewhere

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause Falcon Title, c/o Millennium Bank, NA, Reston, Virginia 20190 to transmit via electronic wire in interstate commerce false and fraudulent mortgage loan proceeds for property at 32 Q Street, NW, Washington, DC 20001, to Brotherly Investment Group, Sandy Spring Bank, Olney, Maryland 20832.

18 U.S.C. § 1343

18 U.S.C. § 2

**COUNT SEVEN**

The Grand Jury for the District of Maryland further charges that:

1. The allegations set forth in paragraphs 1 through 13 of Count One of the Indictment are hereby realleged and incorporated by reference as though fully set forth herein.
2. On or about June 29, 2006, in the District of Maryland, and elsewhere

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause Falcon Title, c/o Millennium Bank, NA, Reston, Virginia 20190 to transmit via electronic wire in interstate commerce false and fraudulent mortgage loan proceeds for property at 119 Bates Street, NW Washington, DC 20001, to Brotherly Investment Group, Sandy Spring Bank, Olney, Maryland 20832.

18 U.S.C. § 1343

18 U.S.C. § 2

**COUNT EIGHT**

The Grand Jury for the District of Maryland further charges that:

1. The allegations set forth in paragraphs 1 through 13 of Count One of the Indictment are hereby realleged and incorporated by reference as though fully set forth herein.
2. On or about July 26, 2006, in the District of Maryland, and elsewhere

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause Falcon Title, c/o Millennium Bank, NA, Reston, Virginia 20190 to transmit via electronic wire in interstate commerce false and fraudulent mortgage loan proceeds for property at 1429 W. Lombard Street, Baltimore, Maryland 21223, to Brotherly Investment Group, Sandy Spring Bank, Olney, Maryland 20832.

18 U.S.C. § 1343

18 U.S.C. § 2

**COUNT NINE**

The Grand Jury for the District of Maryland further charges that:

1. The allegations set forth in paragraphs 1 through 13 of Count One of the Indictment are hereby realleged and incorporated by reference as though fully set forth herein.


2. On or about October 16, 2007, in the District of Maryland, and elsewhere

**JAY LEONARD,**

the defendant herein, for the purpose of executing the scheme and artifice to defraud and attempting to do so, did knowingly and willfully cause by materially false and fraudulent misrepresentations an electronic wire in interstate commerce for \$478,000 from Rodney Keller, Bank of America, Silver Spring, Maryland to Sterling Title, Alliance Bank, Chantilly, Virginia 21051.

18 U.S.C. § 1343

18 U.S.C. § 2

  
Rod J. Rosenstein  
United States Attorney

A TRUE BILL

**SIGNATURE REDACTED**

8-11-2009

Date