

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT OF MISSOURI**



MICHAEL W. REAP
Acting United States Attorney

NEWS RELEASE

For further information call (314) 539-2200

November 3, 2009
For Immediate Release

ST. LOUIS COUNTY WOMAN PLEADS GUILTY TO FRAUD CHARGES

St. Louis, MO: Leona Jackson pleaded guilty to wire fraud in connection with the fraudulent refinancing of her home, Acting United States Attorney Michael W. Reap announced today.

In her plea agreement, Jackson admitted refinancing her home in North St. Louis County in 2005 without the participation or authorization of her husband, who was incarcerated at the time of the refinance and, therefore, not present at closing. Jackson also admitted to taking \$20,000 in cash out of the home's equity and then "walking away" from the property - failing to make a single payment on the new note.

LEONA JACKSON, most recently of St. Louis County, pleaded guilty to one felony count of wire fraud.

Jackson appeared before the Honorable Charles A. Shaw in the U.S. District Court in St. Louis. The maximum penalty for wire fraud is 20 years imprisonment, a \$250,000 fine or both. Sentencing has been set for January 28, 2010.

"This is not the biggest case in the world," said Acting U.S. Attorney Michael W. Reap, "but it is a good example of the outrageous lengths people will go to in gaming the credit markets."

The U.S. Attorney's Mortgage Fraud Task Force consists of over 70 residents of the Eastern District of Missouri involved in banking, mortgage brokerage, real estate sales, title insurance, real estate appraising, as well as federal, state and local law enforcement, regulatory officials and non-government organizations. Anyone wishing to report suspected mortgage fraud or participate in the work of the task force is encouraged to call the Mortgage Fraud hotline at 1-866-587-9571.

Reap also praised the outside counsel for the victim lender who brought the case to the attention of his office and to the U.S. Secret Service, who investigated the case.