



McGregor W. Scott

United States Attorney
Eastern District of California

Sacramento
501 I. Street, Ste 10-100
Sacramento CA 95814
Tel (916) 554-2700
TTY (916) 554-2855

NEWS RELEASE

Fresno
2500 Tulare St., Suite 4401
Fresno, CA 93721
Tel (559) 497-4000
TTY (559) 497-4500

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Contact: Rosemary Shaul

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MAN POSING AS FORECLOSURE SPECIALIST TAKES ADVANTAGE OF HOMEOWNERS TO RIP OFF BANK FOR ALMOST \$1 MILLION

SACRAMENTO--United States Attorney McGregor W. Scott announced that CHRISTOPHER CRAIG, 35, of Auburn, pleaded guilty today to Bank Fraud. The guilty plea took place before United States District Judge Morrison C. England, Jr.

This case was the product of an extensive investigation by the FBI.

According to Assistant United States Attorney Anne Pings, who prosecuted the case, the defendant admitted to a scheme in which he approached homeowners who were on the verge of having their homes foreclosed on by their mortgage lenders. CRAIG promised to loan them money. Instead, he created documents deeding away their residential properties to co-defendants who acted as "straws" and applied for home equity loans from Washington Mutual Bank claiming falsely that they were the true owners of the properties and that there were no pending mortgages on the properties.

Co-defendants DONALD EDGECOMB, 35, of Trevor, Wisconsin, and JACOB ESTEVES, 35, of Auburn, also pleaded guilty today to Misprision of a Felony admitting that they knew of Craig's felony bank fraud scheme and took affirmative steps to conceal the scheme from detection by law enforcement. That offense carries a maximum sentence of three years imprisonment.

In total, Washington Mutual disbursed \$1.2 million which ended up in CRAIG's accounts. CRAIG paid back only one of the loans, ultimately defrauding Washington Mutual out of \$974,452. The homes CRAIG used to perpetuate this scheme are located in Auburn, Lincoln, Stockton, Elk Grove, Sacramento and Manteca.

The maximum statutory penalty CRAIG will face for violation of Bank Fraud is 30 years. However, the actual sentences will be dictated by the Federal Sentencing Guidelines, which take into account a number of factors, and will be imposed at the discretion of the court. The defendants are scheduled to be sentenced by Judge England on July 19, 2007, at 9:00 a.m.

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