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“STRAW BUYER” SENTENCED TO JAIL IN MORTGAGE FRAUD SCHEME
Must Give Lectures On Being a Straw Buyer At Mortgage Fraud Forums As Part Of Sentence

Queens District Attorney Richard A. Brown today announced that a 32-year-old Long Island woman who acted as a “straw buyer” to steal the Jamaica, Queens, residence of a 93-year-old Queens man suffering from Alzheimer’s disease has been sentenced to thirty days in jail and five years’ probation, during which she must appear at mortgage fraud forums and educate people on the ramifications of being a “straw buyer” and why being one is a crime. This is believed to be the first prosecution and conviction of a straw buyer in a mortgage fraud scheme in Queens County.

The District Attorney identified the defendant as Rebecca Tharpe, 32, of 44 Third Street in Brentwood, Long Island. Tharpe, who was convicted last month of first-degree falsifying business records after a ten-day jury trial in Queens Supreme Court, appeared yesterday before Justice Kenneth C. Holder and was sentenced to thirty days in jail, five years’ probation and to pay a \$2,500 fine. In an unusual step, Justice Holder made it a condition of Tharpe’s probation that she be required to speak at mortgage fraud forums – if called upon by the District Attorney’s Economic Crimes Bureau or the New York State Attorney General’s Office – for a total of two years out of the five years that she will be on probation on why people should avoid becoming a straw buyer, the pitfalls associated with becoming one, the ramifications of becoming one, and the impact that being one has on the various people affected.

District Attorney Brown said, “Straw buyers are generally unaware of the enormous fiscal damage they can inflict on financial institutions and unsuspecting homeowners by just signing their name to mortgage papers. I commend Justice Holder for crafting a sentencing that holds the defendant responsible for her actions and requires her, at the same time, to educate people on the dangers of mortgage fraud schemes.”

District Attorney Brown said that, according to trial testimony, Tharpe assisted Alexandra Gilmore, an acquaintance, in stealing the Jamaica, Queens, resident of 93-year-old Artee McKoy, a retired barber with diminished mental capacity, between August and September 2005 by acting as a “straw buyer” to purchase the property. McKoy’s signature was forged on a contract of sale – between him as the seller and Tharpe as the buyer – that was then used, along with other false information, to obtain a mortgage on the property. The house was eventually sold for \$395,000, of which Tharpe received the benefit of \$102,000 (a “seller’s concession” and a seller’s purchase

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money mortgage – none of which Mr. McKoy had consented to) and Gilmore received more than \$200,000 in proceeds, including a \$97,000 check that had been made payable to McKoy and an additional \$130,000 which she secured by setting up a real estate company and falsely claiming to have been owed the money from a previous mortgage loan on the property.

Gilmore, 37, formerly of 14 East Grove Street in Massapequa and presently of 1550 Clark Street in Pittsburgh, Pennsylvania, pleaded guilty to two counts of second-degree grand larceny as a hate crime earlier this year and was sentenced to two to six years in prison.

In addition to McKoy's Jamaica residence, Gilmore took advantage of McKoy's diminished capacity to twice refinance a property he owned at 209-47 45th Drive in Bayside. Beginning on July 6, 2004, Gilmore refinanced the property with New Century Mortgage for \$150,000. Realizing how much more equity could be drained from the property, Gilmore orchestrated a second refinancing of the property – this time for \$420,000. In order to carry out her scheme, Gilmore submitted a letter to New Century Mortgage, falsely claiming that she was McKoy's daughter and that he was refinancing the property in order to make cash gifts to his children. In truth, McKoy had been a good friend of her deceased father.

Thereafter, Gilmore opened an account in her name and – unbeknownst to McKoy – in his name at Commerce Bank in Massapequa and directed that all account statements be sent to her house. A review of bank records by the District Attorney's office revealed that Gilmore withdrew more than \$100,000 from the account on July 13, 2005, four days after an unendorsed check for \$129,268 had been deposited into the account and cleared and that, several months later, she withdrew additional funds from the account after a second check – this time for \$222,160 – had been deposited and cleared.

District Attorney Brown said that, according to bank records, a few initial monthly mortgage payments were made on the Jamaica property before payment ceased all together and the house went into foreclosure. A civil court case is presently pending before Supreme Court Justice Howard Lane. The Bayside property has also been forced into foreclosure proceedings.

The investigation was conducted by Detective Oniel Miller of the NYPD's Queens District Attorney's Squad under the supervision of Sergeant Frank Horvath and the overall supervision of Captain John M. Zanfardino. Former Detective Ketty Larco, of the District Attorney's Detective Squad, also assisted in the investigation, under the supervision of Sergeant John Kenna, Lieutenant Robert Burke and the overall supervision of Chief Lawrence J. Festa and Deputy Chief Albert D. Velardi.

Assistant District Attorneys Allison P. Wright and Lauren D. Steele, of the District Attorney's Economic Crimes Bureau, prosecuted the case under the supervision of Gregory Pavlides, Bureau Chief, and Christina Hanophy, Deputy Bureau Chief, Kristen Kane, Chief of the Elder Fraud Unit, and the overall supervision of Executive Assistant District Attorney Peter Crusco and Deputy Executive Assistant District Attorney Linda Cantoni of the Investigations Division.

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Note to Editors: Press release e-version posted on www.queensda.org