

Department of Justice



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Wednesday, April 14, 2016			PHONE: (813) 274-6388	
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SAINT PETERSBURG REAL ESTATE AGENT SENTENCED FOR HIS ROLE IN MORTGAGE FRAUD CONSPIRACY

Tampa, Florida - Tampa, Florida – U.S. District Judge James S. Moody has sentenced Gary Blankenship (45, St. Petersburg, FL) to eight months in federal prison for conspiracy to commit wire and bank fraud. Blankenship previously plead guilty to the conspiracy charge on February 4, 2016.

According to his plea agreement, in 2005, entities controlled by co-conspirators entered into a contract to purchase The Arbors, an apartment complex in Hillsborough County, Florida. The new owners of The Arbors then engaged in a plan to convert the complex from rental apartment units to condominium units.

Blankenship's co-conspirator Brendan Bolger aided the developers in the sale of numerous condominium units at The Arbors through his company, Capital Management Guarantee, LLC. In order to induce buyers to purchase units at The Arbors, Bolger created an addendum to the purchase contract that offered buyers various incentives such as rental supplements, money to defray maintenance costs and a design credit to upgrade the unit's amenities. When the buyers cancelled the design credit within 10 days of signing the addendum, Bolger paid a kickback for the amount of the design credit to the buyer from Capital Management's bank account. In this manner, Bolger, Blankenship

and other co-conspirators failed to disclose to buyers' mortgage lenders material facts about the financing of the sale of The Arbors condominium units.

Specifically, Blankenship's role in the conspiracy as a realtor consisted of marketing Arbors units by promising undisclosed incentives, to buyers who purchased units at The Arbors.

This case was investigated by the Federal Bureau of Investigation and the Federal Housing Finance Agency Office of Inspector General. It was prosecuted by Special Assistant United States Attorney Chris Poor and Assistant United States Attorney Jay Hoffer.