



U.S. Department of Justice

United States Attorney
Northern District of Illinois

Zachary T. Fardon
United States Attorney

Everett McKinley Dirksen United States Courthouse
219 South Dearborn Street, 5th Floor
Chicago, Illinois 60604
(312) 353-5300

FOR IMMEDIATE RELEASE

MAY 19, 2014

**SOUTH LOOP CONDO DEVELOPER AND TWO ATTORNEYS AMONG SIX
DEFENDANTS INDICTED IN \$22.8 MILLION MORTGAGE FRAUD SCHEME**

CHICAGO — A south loop condominium developer and two attorneys are among six defendants facing federal charges for allegedly engaging in a \$22.8 million mortgage loan fraud scheme, federal law enforcement officials announced today. The defendants allegedly caused buyers to fraudulently obtain approximately 60 mortgages from various lenders to purchase condominiums at Vision on State, a 250-unit building located at 1255 South State St.

Real estate developer WARREN N. BARR, III, was a member of 13th & State, LLC, which obtained a \$55.7 million loan in 2005 to finance the development and construction of Vision on State between 2004 and 2008. Barr, 62, of Riverside, was charged with nine counts of bank fraud and four counts of making false statements on loan applications in a 13-count indictment that was returned by a federal grand jury last Thursday.

Also indicted were: ROBERT D. LATTAS, 37, of Oak Brook, an attorney who represented 13th & State at condo closings, seven counts of bank fraud and three counts of making false statements; JEFFREY A. BUDZIK, 37, of Miami Beach and formerly of Chicago,

an attorney who represented individuals purchasing condos at Vision on State, one count of bank fraud; ASIF A. ASLAM, 43, of Irvine, Calif., and formerly of Lincolnwood, six counts of bank fraud and one count of making false statements; LEONARDO V. SANDERS, 51, of Chicago, who similar to Aslam recruited individuals to purchase condos and then lease them to renters, two counts of bank fraud and one count making false statements; and JAMES J. CARROLL, 63, of Naperville, who was chief financial officer and a member of 13th & State, one count of bank fraud.

The indictment also seeks forfeiture of \$22,872,527 from Barr, Lattas, Aslam, and Sanders.

Barr is believed to be living temporarily in Saudi Arabia and a warrant was issued for his arrest. The other five defendants are scheduled to be arraigned at 10 a.m. Wednesday, or on other dates to be determined, in U.S. District Court.

Between March 2007 and July 2012, the defendants allegedly caused buyers to obtain mortgages to purchase condos at Vision on State by making false statements to lenders in loan applications, real estate contracts, and HUD-1 settlement statements about the sales price of the units, the buyers' employment, income, financial condition, assets, liabilities, sources of down payment, and intention to occupy the condos, and the funds that 13th & State was providing such as the buyers' down payments, buyers' incentives, and commissions.

According to the indictment, Barr, Lattas, and Carroll determined the minimum prices that 13th & State should receive for the condos and facilitated the sale of those units at inflated prices, knowing the difference between the two prices, or "the spread," would be paid to Aslam, Sanders and others to recruit buyers with incentives that were not disclosed in loan documents.

All six defendants allegedly caused false documents to be prepared that concealed from lenders that funds represented as the buyers' down payments were actually provided by 13th & State, so that the buyers were contributing little or no equity, and that the purchase prices were inflated. Aslam and Sanders allegedly received funds from Barr and others at Barr's direction, and, knowing this was not disclosed to lenders, kept some of the funds for themselves and used some of the funds to pay condo buyers' assessments and closing costs.

The indictment also alleges that Barr purchased a condo at Vision on State and that he, Lattas, and Carroll knew that loan documents contained false information about the sales price and the source of Barr's down payment, as well as false information about his assets and liabilities.

The lenders allegedly defrauded include AmTrust Bank, Bank of America, First Tennessee Bank, JP Morgan Chase Bank, and Wells Fargo.

The charges were announced by Zachary T. Fardon, United States Attorney for the Northern District of Illinois; Robert J. Holley, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Michael P. Stephens, Acting Inspector General for the Federal Housing Finance Agency.

The government is being represented by Assistant U.S. Attorney Christopher R. McFadden.

Each count of bank fraud and making false statements on loan applications carries a maximum penalty of 30 years in prison and a \$1 million fine, or an alternate fine of twice the loss or twice the gain, whichever is greater, and restitution is mandatory. If convicted, the Court

must impose a reasonable sentence under federal sentencing statutes and the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

#