Mortgage Fraud Co-Schemers Sentenced

Local News

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Three Pierce County women who played important roles in a mortgage fraud scheme that crippled now defunct Pierce Commercial Bank were sentenced yesterday in U.S. District Court in Tacoma, announced U.S. Attorney Jenny A. Durkan. All three of the women worked for years with scheme leader Shawn Portmann, whose fraudulent loans resulted in losses of more than $10 million. Portmann will be sentenced later this month. U.S. District Judge Benjamin H. Settle will determine restitution later this year.“Mortgage fraud can turn the American Dream of homeownership into a nightmare for our communities. Law enforcement will not sit idly by when greed causes professionals to abandon their integrity and become fraudsters,” said Kenneth J. Hines, Special Agent in Charge of IRS-Criminal Investigation in the Pacific Northwest.From 2004 to 2008, Shawn Portmann closed almost $1 billion in loans, and he earned over $1.7 million per year. A review of a sample of conventional and FHA loans revealed that Portmann and his staff closed over 300 loans with false and fraudulent information. More than half of these loans have defaulted or otherwise caused loss to Pierce Commercial Bank, secondary investors, and/or the FHA, resulting in an estimated loss of $10 million.

Loan Underwriter Jeanette R. Salsi, 55, of Bonney Lake, Washington, was sentenced to seven months in prison, four months of home confinement, and three years of supervised release for conspiracy. In 2004, Salsi followed Portmann from a different mortgage lender to PC Bank Home Loans (a subsidiary of Pierce Commercial Bank). Portmann paid Salsi 60 percent more than she made at her prior employer, and she became the primary underwriter of loans originated by Portmann. Salsi approved fraudulently generated loan applications despite the fact that they were filled with fraudulent documents. Salsi knew the files contained false statements and phony documents regarding the applicant’s employment, debts, current residence, and plans to reside in the home. Salsi’s sign-off meant the loans were approved and sold to other financial institutions and the FHA. After Portmann was fired at PC Bank Home Loans, Salsi followed him to two other mortgage companies.Personal Assistant Alice Lorraine Barney, 54, of Graham, Washington, was sentenced to two months in prison, four months of electronic home confinement, 100 hours of community service, and three years of supervised release. Barney was Portmann’s long-time assistant who created and inserted some of the false documents into loan files. Barney participated in submitting at least 60 fraudulent loan files. After Portmann was fired from PC Home Loans, Barney followed him to his three next employers.Pierce Commercial Vice President and Residential Lending Manager Sonja Lightfoot, 53, of Tacoma, Washington, was sentenced to one month in prison, four months of home confinement, 60 hours of community service, and three years of supervised release for her role in the conspiracy. Lightfoot joined the bank in 2002, before Portmann began his scheme. Between 2004 and 2009 it was Lightfoot’s job to lock the loans and sell them on the secondary market to other larger banks. Lightfoot knew that some of the loans contained false statements from borrowers but sold them anyway. When the fraud was discovered, the loans reverted back to Pierce Commercial Bank. The risk that additional loans would revert back to the bank ultimately forced the closure of the bank.Shawn Portmann is scheduled for sentencing January 28, 2013. At that time Judge Benjamin H. Settle will set a restitution amount, a

share of which will be owed by all the defendants in the conspiracy.The case was investigated by the FBI, the HUD Office of Inspector General (HUD-OIG), Internal Revenue Service Office of Criminal Investigation (IRS-CI), and the United States Postal Inspection Service. The case is being prosecuted by Assistant United States Attorneys Brian Werner and Arlen Storm.Press contact for the U.S. Attorney’s Office is Emily Langlie at (206) 553-4110 or Emily.Langlie@usdoj.gov.