

THE UNITED STATES ATTORNEY'S OFFICE  
NORTHERN DISTRICT *of* OHIO

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**Department of Justice**

U.S. Attorney's Office

Northern District of Ohio

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Monday, July 8, 2013

## **Akron Man Sentenced To 10 Years In Prison For Leading Mortgage Fraud Scheme That Resulted In \$36 Million Loss**

An Akron man was sentenced to 10 years in prison for leading massive mortgage fraud schemes in Ohio and Florida, said Steven M. Dettelbach, United States Attorney for the Northern District of Ohio.

The restitution owed by Jack R. Coppenger, age 50, will be determined later this year. The government has asked for \$35 million.

More than 40 people have been found guilty of crimes for their various roles in the mortgage fraud, which has led to losses of more than \$36 million.

"This defendant led a ring whose crimes covered two states and resulted in losses of tens of millions of dollars," Dettelbach said. "Mortgage fraud crimes devastate entire neighborhoods and communities."

In delivering his sentence, U.S. District Judge John Adams said to Coppenger: "This was all greed. This was all planned, this scam and scheme. You knew and you had to know when this house of cards began to fall. You're still out looking for new people to prey on."

Coppenger previously pleaded guilty to two counts of conspiracy.

In the first count, Coppenger conspired to commit bank fraud and to make false statements to influence a bank to make a loan in connection with a mortgage fraud scheme involving property in the Panama City, Florida area, resulting in approximately a \$36 million loss.

In the second count, Coppenger conspired to defraud the United States by impairing and impeding the ability of the I.R.S to assess Coppenger's taxes in 2006 by concealing funds Coppenger received from a land "flip" conducted by Andrew Norman and Jason Herceg.

Norman and Herceg were both recently sentenced to 40 months in prison and ordered to pay \$14 million in restitution.

According to court documents, they operated a company in Stow under the name of V.P. Equity LLC and, with Coppenger, procured "straw buyers" and submitted false loan documents to banks to purchase Coppenger's lots in Florida (which had already been inflated in value as part of a land flip) in a mortgage fraud scheme.

Coppenger, with assistance from Herceg and Norman, perpetrated a large mortgage fraud scheme involving numerous straw buyers primarily from the Akron, Hartville, and Mentor areas. These straw buyers essentially sold their good credit scores to Coppenger in order for Coppenger to secure loans, through straw buyers' names, for properties in Florida.

Coppenger promised the straw buyers that if they signed the loan application and paperwork, Coppenger would pay them an inducement amount.

Coppenger then promised the straw buyers that he would make all the mortgage payments for the property and would make any down payments that were necessary, and that, once the property was developed and sold, they would split the profits equally.

Ultimately, Coppenger failed to make the mortgage payments on these loans, resulting in a loss of approximately \$36 million, according to court documents.

Herceg and Norman defrauded two elderly purchasers by selling them a Florida property for \$7 million. Moments before this sale, Herceg and Norman bought the property through their partnership, 104 Investments, from the original seller and inflated its value by approximately \$2.6 million. Herceg and Norman then sold this property to these elderly purchasers, who were never told of the last minute "flip", or that they were actually buying the land from Herceg, Norman, and 104 Investments. Herceg and Norman, and their 104 Investments business partner, Robert Jason Workman, received approximately \$2.6 million from this sale which they then funneled portions of the proceeds out to themselves which included a \$690,000 to Coppenger as payment for locating the property. Subsequently, Norman, Herceg, and Workman fraudulently deducted the money they gave to Coppenger as a business expense.

Coppenger was also conspired with business partner Kathleen A. Fada-Murray and her husband, William Murray, to defraud the United States by concealing from the I.R.S. their receipt of monies from the fraudulent land flip. William Murray and Fada-Murray were not involved in the fraud against the elderly purchasers but were owed a return on her investment in Coppenger's company, SMB&A. Once Fada-Murray became aware that Coppenger had received \$690,000 as a result of the fraud in count one, she took steps to obtain some of this money herself, her husband, and others, and conspired with Coppenger to conceal their receipt of these funds from the I.R.S. by transferring funds into and out of accounts with corporate names, and out of an account in the name of Coppenger and his wife, characterizing these funds as a repayment of a loan, and using these funds to pay for Fada-Murray's personal expenses, including online gambling debts, credit card payments, car payments, and federal and state taxes, as well as for personal expenses of Coppenger, including carpeting, car payments, and the payment of business expenses to keep the mortgage fraud scheme going.

Both Fada-Murray and William Murray pleaded guilty to their roles in this scheme. William Murray was also charged with recruiting two straw buyers for Coppenger in this scheme. Fada-Murray was sentenced to five years probation and ordered to pay back taxes while William Murray was sentenced to two years in prison and ordered to pay \$450,440 in restitution. Workman was sentenced to six months in prison and ordered to pay \$77,000.

Thus far, 37 straw buyers have pleaded guilty to a charged of conspiracy to commit loan fraud and bank fraud. All have been sentenced or are awaiting sentencing.

The case is being prosecuted by Assistant U.S. Attorneys Christian H. Stickan and Henry F. DeBaggis, following investigation by agents of the IRS-CI and FBI, Akron Office.

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**Component(s):**

USAO - Ohio, Northern

Updated March 12, 2015