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Department of Justice

U.S. Attorney's Office

Northern District of Ohio

FOR IMMEDIATE RELEASE

Thursday, July 7, 2016

Former Youngstown man sentenced to more than three years in prison for bank fraud involving Mahoning County homes

A former Youngstown man was sentenced to more than three years in prison for crimes related to the purchase of a dozen homes in Mahoning County, said Carole S. Rendon, Acting U.S. Attorney for the Northern District of Ohio, and Steven D. Anthony, Special Agent in Charge of the FBI's Cleveland office.

R. Allen Sinclair, 52, of Suwanee, Georgia, was sentenced to 41 months in prison and ordered to pay approximately \$830,000 in restitution. He pleaded guilty earlier this year to bank fraud.

Sinclair was the owner and operator of Newport Investments, LLC and Newport Development, Inc. in Youngstown. He advertised that the company was in the business of buying, renovating and selling residential real estate properties, according to court documents.

Sinclair, through his companies, solicited money from investors, promising them annual returns of about 10 percent and telling them their funds would be used for the acquisition and renovation of properties in Youngstown. Sinclair knew that the properties needed little or no renovation. Instead, he converted the money for his personal use, according to court documents.

Beginning in 2005, Sinclair acquired the 12 properties—in Youngstown, Canfield, Struthers and Austintown—through land trusts he created for each property. Sinclair fraudulently misled the sellers into believing the land trusts had assumed the mortgage payments. After making minimal monthly payments, Sinclair then stopped paying the mortgages and did not notify the sellers, who were unaware they were still obligated to the loans, according to court documents.

As a result, the properties went into foreclosure, causing substantial losses to the lenders and the federal agencies that insured them, according to court documents.

This case is being prosecuted by Assistant U.S. Attorneys Robert J. Patton and Suzana Krstevski Koch following an investigation by the Federal Bureau of Investigation, with assistance from the U.S. Department of Housing and Urban Development - Office of Inspector General and the Ohio Attorney General's Office.

Topic(s):

Financial Fraud

Component(s):

[USAO - Ohio, Northern](#)

