

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

FOR IMMEDIATE RELEASE

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Former Youngstown resident indicted for fraudulent purchase of a dozen homes in Mahoning County

A 12-count federal indictment was filed charging a former Youngstown man with fraud related to the purchase of a dozen homes in Mahoning County, said Steven M. Dettelbach, 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, 51, of Suwanee, Georgia, was indicted on 12 counts of financial institution 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 the indictment.

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. Five investors invested a total of approximately \$147,000, according to the indictment.

Sinclair knew that the properties needed little or no renovation. Instead, he converted the money for his personal use, according to the indictment.

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 the indictment.

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

This case is being prosecuted by Assistant U.S. Attorneys Robert J. Patton and Derek Kleinmann 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.

If convicted, the defendants' sentences will be determined by the court after a review of the federal sentencing guidelines and factors unique to the case, including the defendant's prior criminal record (if any), the defendant's role in the offense and the characteristics of the violation.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

Topic(s):

Mortgage Fraud

Component(s):

USAO - Ohio, Northern

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