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netted more than \$10 million in fraudulent home loans was sentenced Wednesday by a federal judge to serve more than five years in prison.

Dec. 28, 2012

A Las Vegas real estate agent who took part in a mortgage fraud scheme that netted more than \$10 million in fraudulent home loans was sentenced Wednesday by a federal judge to serve more than five years in prison.

Linda Marie Kot, 58, was sentenced to 70 months in prison, plus five more years of supervised release by U.S. District Judge Kent J. Dawson. The judge also ordered Kot to pay nearly \$3.9 million in forfeiture.

After a five-day trial in May, a federal jury in Las Vegas found Kot guilty of three counts of bank fraud and one count of conspiracy to commit mail, wire and bank fraud.

Court documents and evidence presented at her trial indicated Kot took part in a scheme in which members of an investment group submitted fraudulent loan documents to lenders that involved "straw buyers."

The "straw buyers" were people with good credit scores whose names were put on the properties, but who were intended not to be responsible for paying the mortgages or other expenses.

Prosecutors said the scheme took place in 2006. It involved the sales of 13 new homes, three existing homes and several loan applications that weren't approved.

Kot and her co-conspirators "caused material misstatements to be placed on loan applications," according to the trial evidence and court documents.

Those misstatements included information about the true owners and controllers of

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One of the charges Kot was convicted of involved a similar scheme from 2005 to 2006 with members of her family, where she and her family used straw buyers to apply for home loans and buy properties.

Court evidence showed she and her family members paid fees to the straw buyers, then split up the profits on the sale of the homes.

Kot and her family members were able to sell most of the properties they bought with straw buyers before the housing downturn. However, the investment group Kot conspired with couldn't do so, according to the trial evidence.

That led to the home mortgages the investment group bought in 2006, when Kot was the sole real estate agent, ending up in default and foreclosure and those straw buyers ending up in bankruptcy.

Three of Kot's co-conspirators, Hugo Coutelin, Jeff Thomas and Michael Perry, have pleaded guilty for their roles in the fraud scheme. Coutelin and Perry were each sentenced to 15 months in prison. Thomas was sentenced to the time he had already served.

The sentencing was the result of efforts by President Barack Obama's Financial Fraud Enforcement Task Force. Kot's case was investigated by the FBI.

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