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**VIRGINIA SETTLEMENT ATTORNEY SENTENCED TO PRISON IN CONSPIRACY TO
FRAUDULENTLY OBTAIN OVER \$100 MILLION IN SBA-BACKED LOANS**

Attorney Used Her Law Firm and Settlement Company to Facilitate Fraudulent Loan Closings

Baltimore, Maryland -U.S. District Judge William D. Quarles, Jr. sentenced Seung E. Oh, a/k/a Sandy Oh, age 44, of Great Falls, Virginia, today to 51 months in prison, followed by three years of supervised release, for conspiracy to commit bank fraud and money laundering, in connection with a scheme to fraudulently obtain business loans guaranteed by the Small Business Administration, with resulting losses of over \$100 million. Judge Quarles also ordered that Oh pay a money judgment of \$11,832,000, pay restitution of \$3,593,432, and forfeit all the property involved in the offense.

The sentence was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Small Business Administration Inspector General Peggy E. Gustafson; Postal Inspector in Charge Gary R. Barksdale of the U.S. Postal Inspection Service - Washington Division; and Special Agent in Charge Stephen E. Vogt of the Federal Bureau of Investigation.

According to her plea agreement, Oh is an attorney with offices in Annandale, Virginia and the owner operator of Washington Settlement Group (WSG), a title company located in Annandale. In about 1998, Oh met Joon Park and his brother, Loren Park, who owned and operated Jade Capital, a loan brokerage company. Oh knew that Jade Capital specialized in securing loans for individuals interested in purchasing and refinancing small businesses in the Mid-Atlantic area, some of which were settled through Oh's law firm and WSG. Oh knew that the Parks encouraged prospective borrowers using the services of Jade Capital to apply for business loans through the SBA's Section 7(a) program, which guaranteed 75% - 90% of qualified loans made by banks and other commercial lending institutions. Under this program, the principals of the small business seeking the loan were required to invest a certain amount of their own money, called an equity injection, before they qualified for a loan. The banks and other lending institutions making the loan bore the risk of payment default only up to the percentage of the loan not guaranteed by the SBA.

Over the course of Oh's relationship with Joon and Loren Park, and to foster more business with their company, Oh agreed to use her settlement company and law firm to facilitate loan closings for deals that would otherwise fail to meet the lending parameters of the banks making the loans, including banks authorized to lend under SBA's Section 7(a) program. Oh helped the Parks

misrepresent to the banks and to the SBA the true amount of money involved in the transactions and/or the true names of the parties taking part in the transactions.

To accomplish this, Oh sometimes agreed to “netting” a transaction, whereby the Parks would negotiate a sale price with the seller that was less than the price listed on the sales contract submitted to the bank, and/or they would increase the loan by the amount needed for the down payment. In so doing, they reduced the amount of money that the buyer actually had to inject into the deal and concealed that the buyer did not have sufficient equity to qualify for the loan. To conceal these arrangements, Oh completed the settlement sheets as if the buyer had made the required cash injection and the seller had received the full contract price.

Another way that Oh helped to facilitate the loan closing for Jade Capital was when she “fronted” the buyer’s cash injection. Oh temporarily loaned part of the buyer’s up-front payment by taking other people’s money out of the escrow accounts of either her law firm or her title company. Joon and Loren Park then paid back the fronted money after the settlement, usually from their share of the proceeds from that deal or a later one. As with the “netting” scheme, the settlement sheets and all other related documents for the “fronted” deal would falsely reflect that the buyer injected his own money into the transaction in accordance with the agreed upon financing terms established by the lending institution.

Joon Park, a/k/a “Joon Pak,” and “Joon Paik,” age 43, of Falls Church, Virginia, pleaded guilty and was sentenced to 188 months in prison. Judge Quarles also ordered Park to pay a money judgment of \$91,449,700 and forfeit all the property involved in the offense. Nick Park, a/k/a Nochol Park, age 46, of McLean, Virginia, was sentenced to 33 months in prison; and Joo Hyuk “John” Lee, age 39, of Richmond, Virginia, and Sang Hyun Kim, age 35, of Fairfax, Virginia, were each sentenced to three years in prison, for conspiracy to commit bank fraud. Kim’s wife, In Jung Ham, age 30, also of Fairfax, was sentenced to a year and a day in prison, for her role in the scheme. Judge Quarles ordered Lee to pay restitution of \$1,900,325 and ordered Ham to pay restitution of \$216,472.92. Lee, Kim and Ham were also ordered to forfeit the proceeds of the scheme and pay money judgments of \$18,764,900, \$13,432,000 and \$15,725,000, respectively.

This law enforcement action is part of President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

United States Attorney Rod J. Rosenstein thanked the SBA Office of Inspector General, U.S. Postal Inspection Service and FBI for their work in the investigation. Mr. Rosenstein praised Assistant U.S. Attorneys Leo J. Wise and Martin J. Clarke, who prosecuted the case.