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## Feds: Area firm's mortgage scam cost investors \$70M

By: [Freeman Klopott](#)  
Examiner Staff Writer  
04/27/09 7:53 PM

Federal authorities say a District-based company promising to pay off the mortgages of its investors was actually a Ponzi scheme that robbed more than 1,000 homeowners of \$70 million. Investigators are now trying to recover the remaining cash for the victims.

Metro Dream Homes was founded by 58-year-old Andrew Hamilton Williams Jr., who used some of the \$50,000 minimum payments provided by homeowners to cover the losses of an automated teller machine scheme he was ordered to shut down in 2001, according to the indictment unsealed Monday. Williams and four of his top-ranked employees were charged Monday with wire fraud and money laundering.

Prosecutors want the five to turn over the \$70 million they're accused of stealing. In October 2007, Maryland's securities commissioner obtained a court order shutting down Metro Dream Homes and 30 other companies operated by Williams. Since then, Invotex Inc. in Baltimore has been tasked with tracking down the money.

So far, Invotex has frozen more than 80 bank accounts, and sold the company's Laurel headquarters for \$525,000 and at least 39 of the company's high-end cars, according to a Web site operated by Invotex.

But there's little hope the majority of the cash will be returned, said Raymond Peroutka, who handles the Metro Dream Homes account for Invotex.

"In addition to the fast spending, they had to keep the scheme afloat by making mortgage payments so the original investors could show new investors the success of the program," Peroutka said.

The investors recruited by Metro Dream Homes were told their mortgages would be paid if they invested at least \$50,000 in the company, the indictment said. Those who entered the scheme early had their mortgages covered by those who came later. Cash was also spent on sending employees to the 2007 NBA All-Star Game and the 2007 Super Bowl.

Meanwhile, Peroutka said, many of the investors lost their homes to foreclosure.

Potential investors went to luxury hotels in Maryland, Virginia, California, Delaware, Florida, Georgia, New York and North Carolina where they attended lavish parties designed to make Metro Dream Homes appear legitimate, Peroutka said. The parties were part of what Maryland's U.S. Attorney Rod Rosenstein called "slick marketing to conceal empty promises."

No lawyers for the company or the defendants were listed in court records. Williams faces more than 300 years in prison.

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