



UNITED STATES ATTORNEY'S OFFICE
District of Minnesota

FOR IMMEDIATE RELEASE
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**SEVENTH DEFENDANT PLEADS GUILTY IN MORTGAGE FRAUD CONSPIRACY
THAT RESULTED IN AT LEAST \$3.9 MILLION IN FRAUD**

At least 35 Properties throughout Minnesota went into Foreclosure as a Result of Scheme

The United States Attorney's Office for the District of Minnesota today announced the guilty plea of JUSTIN JOSEPH CHRISTENSON, 35, who admitted conspiring with THOMAS ROSENSTEEL, ROBERT SCOTT "ROD" ASLESEN, and at least four others to defraud mortgage lenders by falsifying loan applications and related documents. CHRISTENSON is the seventh co-conspirator to plead guilty to participating in the scheme. The defendant pleaded guilty today before Senior Judge David S. Doty in U.S. District Court in Minneapolis, Minn. Last week, ROSENSTEEL and ASLESEN also entered guilty pleas before Judge Doty.

"This was a classic case of criminals perpetrating sham real estate scams to steal money," said Minnesota Department of Commerce Commissioner Mike Rothman. "Commerce investigators are working closely with our colleagues from the U.S. Attorney's Office, FBI, and the U.S. Postal Inspection Service to stop financial fraud in our state."

According to the defendants' guilty pleas and documents filed in court, ROSENSTEEL founded, owned, and was the President of Split Rock Realty, a Twin Cities-based real estate company. In 2006, ROSENSTEEL hired CHRISTENSON to be his Director of Developments. From the fall of 2006 through the fall of 2007, ROSENSTEEL, a licensed real estate salesperson, and CHRISTENSON participated in numerous real estate transactions on behalf of Split Rock to conceal payments from mortgage loan proceeds and divert them to buyers of real properties and other individuals through the use of fraudulent underwriting and closing documentation. Moreover, ROSENSTEEL and others fraudulently concealed that the buyers were given money for down payments and passed these funds off as the buyers' own funds, thereby misleading mortgage loan lenders to believe that the buyers had a financial stake in the purchased residences and thus incentive to pay the loans.

“This scheme was pervasive and calculated,” said Assistant U.S. Attorney William J. Otteson. “Although the defendants used a variety of complex terms and methods to justify their conduct, what they were convicted of is quite simple: they were lying to mortgage lenders to get money.”

According to the defendants’ guilty pleas and documents filed in court, ROSENSTEEL was aware that fraudulent loan application documentation was provided to potential lenders for purposes of loan underwriting. Among other things, the documentation falsely overstated the true purchase prices to be paid for the properties, falsely overstated the incomes of buyers/borrowers, and concealed the fact that payments were going to be made from the loan proceeds to the buyer and other individuals, including the defendant. CHRISTENSON and others, working with ROSENSTEEL’s knowledge and approval, worked to improperly influence appraisers to ensure that property appraisals were sufficiently inflated to facilitate the cash-back scheme. This included manipulating MLS listings and creating comparable sales for use in appraisals that were themselves fraudulent.

According to the defendants’ guilty pleas and documents filed in court, other individuals, including ASLESEN, a licensed closing agent who owned Split Rock Title (not affiliated with Split Rock Realty), facilitated the fraudulent scheme by making concealed payments to the buyers and other third parties, including through a company ASLESEN created, Eastwind Construction Consulting, whose only real purpose was to facilitate the distribution of the fraudulent payments. ROSENSTEEL, ASLESEN, and CHRISTENSON admitted participating in at least 35 fraudulent real estate transactions as part of the scheme, resulting in nearly all of the properties going into foreclosure. The actual loss to the mortgage holders was more than \$2.5 million.

The three recent guilty pleas bring to seven the number of individuals who have pleaded guilty since 2011 in connection with this scheme. The others include: DALE RUSSELL WURZINGER, a licensed real estate agent working for Split Rock Realty; AMRI ELSAFY, owner of The Mortgage Shop, a real estate loan brokerage company; JAMES BRYAN CROOK, owner of Compass Title Company; and GERALD EDWIN CARLSON, a loan officer employed by Cascade Mortgage.

This case resulted from an investigation conducted by the Minnesota Department of Commerce, Federal Bureau of Investigation, and the United States Postal Inspection Service.

This case was prosecuted by Assistant U.S. Attorneys William J. Otteson and Robert M. Lewis.

Defendant Information:

JUSTIN JOSEPH CHRISTENSON, 35
Forest Lake, Minn.

Convicted:

- Conspiracy to commit wire fraud, 1 count

THOMAS EDWARD ROSENSTEEL, II, 42

Excelsior, Minn.

Convicted:

- Conspiracy to commit wire fraud, 1 count

DALE RUSSELL WURZINGER, 58
Burnsville, Minn.

Convicted:

- Conspiracy to commit wire fraud, 1 count

ROBERT SCOTT ASLESEN, a/k/a “ROD” ASLESEN, 66
Little Canada, Minn.

Convicted:

- Conspiracy to commit wire fraud, 1 count

AMRI ELSAFY, 43
Golden Valley, Minn.

Convicted:

- Conspiracy to commit wire fraud, 1 count

JAMES BRYAN CROOK, 59
Staten Island, N.Y.

Convicted:

- Conspiracy to commit wire fraud, 1 count

GERALD EDWIN CARLSON, 67
Kennedy, Minn.

Convicted:

- Conspiracy to commit wire fraud, 1 count

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