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Legal Aid Demands Action from Wilmington Trust Bank For Johnnie Jackson, Client Who Fell Prey to Deed Theft Scam

Attorneys Call on Bank to Terminate Heartless Eviction Proceeding Against Mr. Jackson

(NEW YORK, NY) – **The Legal Aid Society** today called on the Wilmington Trust Bank to immediately end eviction proceedings against Johnnie Jackson, a Queens resident and Legal Aid client, who is facing eviction from his home after he fell prey to a deed theft scam.

Mr. Jackson’s home has been owned by his family since 1956. He bought the property from his parents in 1994 and has lived there nearly his whole life with his brother. In 2010, he attempted to take out a loan that he planned to use for home repairs, and he inadvertently fell victim to a mortgage modification scheme that was later found by the U.S. Department of Justice to have defrauded more than 1,000 distressed homeowners. Mr. Jackson subsequently lost the deed to his family home to Wilmington Bank Trust.

“Our client fell victim to a large-scale mortgage fraud scheme that stripped him of his most significant asset, his family home, and now he is being victimized all over again by Wilmington Trust Bank,” said **Jennifer Levy, staff attorney in the Foreclosure Prevention and Homeowner Preservation Unit at The Legal Aid Society**. “The man who scammed Mr. Jackson was found guilty in 2016 and admitted to defrauding more than a thousand homeowners,

yet the deed to our client's home was never returned. This is a grave injustice, and Wilmington Trust Bank must restore the deed back into Mr. Jackson's name."

Deed theft is rampant throughout New York City, disproportionately impacting communities of color, while compounding the local housing crisis. Since 2014, there have been more than [3,350](#) complaints of deed theft across the City. Legal Aid's Foreclosure Prevention and Homeowner Preservation Unit assists homeowners in the Bronx and Queens who are struggling to maintain homeownership or who are facing foreclosure. Over the last five years, the team has served over 1,300 clients, achieving positive outcomes for many households.

BACKGROUND:

In 2010, Johnnie Jackson thought he was taking out a \$108,000 loan from David Gotterup, who was later convicted in a mortgage modification scheme that defrauded more than a thousand distressed homeowners. Gotterup transferred Jackson's home to a straw buyer, James Campisi, who took out a mortgage in the amount of \$375,000. Using the proceeds of the loan, Gotterup paid the \$108,000 outstanding mortgage that he had Jackson obtain, and pocketed the remaining balance of approximately \$179,000.

Jackson was tricked into believing that he had been given a \$108,000 loan from a six-month to fifteen-year term. At Gotterup's command, Campisi fraudulently transferred ownership of the property to himself as a straw buyer, took out a mortgage, and then relinquished the title of the property to Wilmington Trust Bank by entering into a Deed in Lieu of Foreclosure.

In 2019, Wilmington Trust Bank filed a holdover eviction case against Jackson in Queens Housing Court, which is still pending.

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The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. www.legalaidnyc.org