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**ANNAPOLIS SERIAL FRAUDSTER ADMITS TO OVER \$2.6 MILLION IN LOSSES FROM REAL ESTATE, BUSINESS LOAN AND SOCIAL SECURITY FRAUD SCHEMES**

*Baltimore*, Maryland - Winnie Joanne Barefoot, a/k/a Winnie Jo Budzina, a/k/a Winnie JoAnne Conn, a/k/a Joanne Knopsnyder, a/k/a Olivia JoAnne Morgan, a/k/a Olivia JoAnne Barefoot Morgan, age 57, of Annapolis, Maryland, pleaded guilty today to bank fraud, arising from her use of numerous identities to fraudulently obtain real estate and commercial loans, while applying for and fraudulently receiving social security disability benefits.

The guilty plea was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Richard A. McFeely of the Federal Bureau of Investigation; Special Agent in Charge Michael McGill of the Social Security Administration - Office of Inspector General, Philadelphia Field Division; Postal Inspector in Charge Daniel S. Cortez of the U.S. Postal Inspection Service - Washington Division; and Special Agent in Charge Nicholas DiGiulio, Office of Investigations, Office of Inspector General of the Department of Health and Human Services.

From December 2005 to August 2009, Barefoot used the identity of Olivia JoAnne Morgan and her daughter to engage in fraudulent real estate and loan transactions, including transactions involving three properties in Annapolis and a business entity she operated.

In late 2005 and early 2006, Barefoot acquired residential property at 3528 Narragansett Avenue in Annapolis, in her daughter's name. She used a forged document in which her daughter purportedly gave Barefoot power of attorney to apply for financing in the amount of \$616,250 to purchase the property. In the application to the lender, Barefoot falsely represented her daughter's assets and ability to pay for the property. The daughter never occupied the property, the property went into foreclosure and the lender lost \$415,000.

During the summer of 2006, Barefoot also acquired property at 896 Coachway, The Downs, in Annapolis. She applied for a first and second mortgage loans in the amounts of \$780,000 and \$195,000, respectively, using the identity Olivia JoAnne Morgan. She falsely represented her income and assets to the lender, and that she intended to use this as her primary residence. Although her daughter and granddaughter briefly occupied this residence in September-October of that year, the property likewise went into foreclosure and the lender lost \$276,000.

In February 2007, Barefoot used a false social security number to apply to a bank to increase an existing home equity credit line from \$1.3 million to \$2.1 million on property at 1588 Eaton Way

in The Downs, Annapolis where she resided from 2002 to 2009 with a man whom she falsely represented to be her husband. Barefoot falsely represented in the loan application that she and her “husband” each had monthly income of \$25,000 and that her net worth was over \$10 million. Barefoot withdrew all of the credit - about \$800,000 - from the increased line of credit. When she and the purported husband stopped making payments on the loan, the property went into foreclosure and the bank lost \$700,000, plus attorney’s fees and foreclosure costs.

During the time of these fraudulent schemes, Barefoot sought and fraudulently obtained supplemental security income from the Social Security Administration (SSA), claiming that she was disabled beginning in 1997 due to back problems. To obtain the benefits, Barefoot falsely: stated that she lived at a PO Box address in Crownsville, Maryland; denied ever having been convicted of a felony, when in fact she was arrested in 1980 and convicted of federal and state felony offenses; and represented that she had no resources nor received any type of income. Barefoot was ultimately approved for disability benefits in April 2007, and fraudulently received more than \$26,000 in benefits. In December 2008, Barefoot falsely represented to SSA representatives investigating her eligibility for benefit payments that: she lived alone at 896 Coachway and did not own the house; and that “Olivia Joanne Morgan” was her sister who was married to the man who resided at 1588 Eaton Way. Barefoot eventually returned the \$26,000 in social security benefits that she unlawfully obtained.

In February 2007 and September 2008, at about the same time that she applied for and received social security disability benefits, Barefoot obtained two commercial lines of credit loans of \$250,000 and \$120,000 to finance a hyperbaric oxygen chamber business. On the first application she used a false social security number, and falsely represented that income and the combined assets for herself and her purported husband were over \$12 million; and that the value of the Eaton Way property was \$4 million and that it was unencumbered. In the second application, she falsely represented that her monthly income was \$30,861; annual sales from the business were \$1.1 million; and that she had not filed bankruptcy in the past 10 years, although in fact she filed bankruptcy in 1999.

Finally, beginning sometime in January 2008 through at least August 2010, Barefoot operated another hyperbaric oxygen chamber business, Advanced Hyperbaric Oxygen, LLC. During that time period, she fraudulently billed for physician hyperbaric oxygen therapy sessions and physician evaluation and management services when no such physician services were provided. These fraudulent billings caused a loss to Medicare of \$75,814; to CareFirst BlueCross BlueShield of \$433,956; to Aetna of \$354,736; and to Humana of \$7,924, for a total of at least \$872,430.

The total amount of loss resulting from all of the fraud schemes described above is over \$2,659,430.

As part of the plea agreement, Barefoot and the government have agreed that if the Court accepts the plea agreement Barefoot will be sentenced to between 45 and 60 months in prison. Additionally, Barefoot agrees to the entry of a restitution order for the full amount of the victims’ losses. U.S. District Judge Marvin J. Garbis scheduled sentencing for June 12, 2012, at 10:00 a.m.

The Maryland Mortgage Fraud Task Force was established to unify the agencies that regulate and investigate mortgage fraud and promote the early detection, identification, prevention and prosecution of mortgage fraud schemes. This case, as well as other cases brought by members of the Task Force, demonstrates the commitment of law enforcement agencies to protect consumers from fraud and promote the integrity of the credit markets. Information about mortgage fraud prosecutions is available [www.justice.gov/usao/md/Mortgage-Fraud/index.html](http://www.justice.gov/usao/md/Mortgage-Fraud/index.html).

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 FBI, SSA - OIG, U.S. Postal Inspection Service and HHS-OIG for their work in the investigation. Mr. Rosenstein commended Assistant United States Attorney P. Michael Cunningham, who is prosecuting the case.