The Virgin Islands Consortium

Federal Indictment Alleges Carlton Dowe Used False Lease Agreements in Mortgage Refinance Filings

The nine-count federal indictment alleges Dowe used false lease agreements and misstated rental income in refinance filings submitted to Banco Popular de Puerto Rico between 2021 and 2023, forming the basis for bank fraud and false loan statement charges.

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Ernice Gilbert March 20, 2026

V.I. Port Authority Executive Director Carlton Dowe. **By. ERNICE GILBERT, V.I. CONSORTIUM.**

Federal prosecutors have accused longtime Virgin Islands public official Carlton Dowe of using false income information, fraudulent lease agreements, and another person's identifying information in connection with mortgage refinancing applications, according to a nine-count federal indictment returned in the U.S. District Court for the District of Puerto Rico.

The indictment does not accuse Dowe of public corruption tied to his government office. Instead, the allegations focus on loan documents prosecutors say were submitted to Banco Popular de Puerto Rico while Dowe was seeking to refinance existing mortgage loans. An indictment is a formal accusation, not a conviction, and the allegations must still be proven in court.

According to the charging document, prosecutors allege that between on or about March 18, 2021 and on or about November 10, 2023, Dowe knowingly carried out a scheme to defraud Banco Popular de Puerto Rico, an FDIC-insured financial institution, in order to obtain money under the bank's custody or control.

The indictment alleges that Dowe submitted loan applications containing materially false information in order to refinance existing mortgage loans, falsely stated his income, submitted fraudulent lease agreements, submitted lease agreements with purported tenants that contained materially false information, and caused the submission of a forged signature of a purported tenant and real person on a fraudulent lease agreement used to support a loan application.

Federal prosecutors say those alleged misrepresentations were material because they influenced, and were capable of influencing, Banco Popular's decision to approve the loans.

Counts 1 through 4 charge bank fraud. Those counts are tied to alleged false statements made in support of a Banco Popular loan application on March 18, 2021, and another loan application on October 14, 2023, November 6, 2023, and November 10, 2023.

Counts 5 through 8 charge false statement on a loan application. Count 5 alleges that on or about March 18, 2021, Dowe falsely stated he was to earn an expected monthly payment of $4,500 from a lease agreement with a person identified as M.N., even though prosecutors say M.N. was not leasing any property from him.

Counts 6, 7 and 8 allege that on October 14, November 6 and November 10, 2023, Dowe falsely stated he was to earn an expected monthly payment of $15,500 from a lease agreement with a person identified as J.P., even though prosecutors say J.P. was not leasing any property from him. On those counts, the indictment also alleges that Dowe knowingly made false statements and reports and willfully overvalued land, property and security for the purpose of influencing the bank's action on the loan applications.

Count 9 charges aggravated identity theft. Prosecutors allege that on or about March 18, 2021, Dowe knowingly transferred, possessed and used, without lawful authority, another person's means of identification during and in relation to the alleged bank fraud and false statement offenses. The indictment specifically identifies that means of identification as the name and signature of M.N.

The indictment also includes a forfeiture notice. It states that if Dowe is convicted, the United States will seek forfeiture of any property constituting, or derived from, proceeds allegedly obtained directly or indirectly as a result of the charged offenses. The filing further states that the government may seek substitute property up to the total value of those proceeds if the original property cannot be located through due diligence, has been transferred or sold, has been placed beyond the court's jurisdiction, has been substantially diminished in value, or has been commingled with other property that cannot be divided without difficulty.

The indictment bears the signatures of U.S. Attorney W. Stephen Muldrow and Assistant U.S. Attorneys Seth A. Erbe and Linet Olinghouse.

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