

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NO. 15-**
v. : **DATE: December 7, 2015**
ANTHONY R. ANGELO : **VIOLATIONS:**
: **18 U.S.C. § 1343 (wire fraud – 2 counts)**
: **18 U.S.C. § 1344 (bank fraud – 1 count)**
: **Notice of Forfeiture**

INFORMATION

COUNTS ONE THROUGH TWO

At all times material to this indictment:

1. Defendant ANTHONY ANGELO was the founder and president of Aracor Search & Abstract Services, Inc. ("Aracor"), a title company that provided real estate title insurance services and transactions, located in Philadelphia, Pennsylvania. Defendant ANGELO was the sole owner of Aracor.

2. Since 1995, Aracor was a party to a title agency agreement with Stewart Title Guarantee Company ("Stewart Title"); a national title insurance underwriter based in Houston, Texas, pursuant to which Aracor was authorized to issue title insurance policies underwritten by Stewart Title in Pennsylvania and New Jersey.

3. As a title agency, Aracor's role in the mortgage loan process was to, among other things, open and maintain escrow and settlement trust accounts at a bank into which funds could be sent from lenders to be held in escrow, issue wiring instructions to lenders, comply with the terms of the loan closing instructions, provide title closing services, issue title

insurance policies underwritten by Stewart Title, disburse escrow funds to satisfy any prior liens, satisfy any prior liens and mortgages and otherwise distribute the escrow funds pursuant to the HUD-1 settlement statement, and then record the deed and mortgage with the appropriate municipality. Aracor, as a title agency, owed a fiduciary duty to the lenders who deposited funds into its escrow accounts to only disburse funds in those accounts in accordance with the HUD-1 settlement statements.

4. Defendant ANTHONY ANGELO maintained escrow accounts in the name of Aracor at various banks and financial institutions, including Bank of America, Beneficial Bank, PNC Bank and United Savings Bank, and provided lenders with the accounts' information so that lenders could wire funds into those escrow accounts for Aracor, as the title company, to disburse. Defendant ANGELO also maintained an operating account for Aracor at Bank of America from which defendant ANGELO paid Aracor's operating expenses.

5. In the event Aracor failed to make payments on mortgages and other payments on transactions underwritten by Stewart Title pursuant to the HUD-1, Stewart Title, as the insurer and underwriter, was obligated to make the payments.

THE SCHEME

6. Beginning in or around March 2010 and continuing through in or about September 2011, within the Eastern District of Pennsylvania, the District of New Jersey, and elsewhere, defendant

ANTHONY ANGELO

devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

7. Knowing that Aracor was in debt, defendant ANTHONY ANGELO represented to lenders, banks and financial institutions that they could wire funds to Aracor bank accounts to be held in escrow and that the funds would be disbursed solely pursuant to lenders' instructions and the HUD-1 settlement statements for real estate transactions. Lenders deposited monies into Aracor escrow accounts to be dispersed by Aracor according to the HUD-1s. Some of the disbursements to be made under Aracor's fiduciary disbursement duties included payments to pay off prior mortgages and liens on the properties, real estate taxes owed and fees, among other things. Designated escrow funds could not be used for any other purpose.

8. In order to manage Aracor's debt, defendant ANTHONY ANGELO began wrongfully withdrawing funds from escrow accounts meant for particular real estate transactions and used them, without authority, to pay off other, unrelated Aracor debts and obligations. As disbursements came due for escrow accounts that now had a negative balance, defendant ANGELO directed his employees to transfer and use funds from other escrow accounts to meet and pay Aracor's disbursement obligations on the negative accounts. That is, rather than using escrowed funds for the transactions for which they were intended, Aracor employees transferred by wire those funds to other accounts to pay off balances and obligations.

9. By September 2011, over \$1,000,000 had been wrongfully removed from various escrow accounts, and transferred between various other Aracor bank accounts, for impermissible purposes. Consequently, several disbursements that Aracor was required to make were never made because the funds allotted for those transactions had been used for other, unrelated transactions and debts.

10. Defendant ANTHONY ANGELO directed his employees to wrongfully transfer funds between escrow and bank accounts for the purpose of keeping his company Aracor financially afloat.

11. On or about June 29, 2011, 1st Constitution Bank, located in New Jersey, wired approximately \$252,382 into Aracor's Beneficial Savings Bank escrow account ending 6803, on behalf of Consumers Mortgage Corporation, for a refinance settlement on the property located at 254 Saint David Drive, Mount Laurel, NJ. Rather than use the funds in the Beneficial Savings Bank escrow account to satisfy a mortgage lien held by Cenlar FSB, the first lien holder of the property, on behalf of borrowers "D.H.#1" and "D.H.#2," defendant ANTHONY ANGELO wrongfully electronically transferred approximately \$249,783 from the escrow account to another bank account to pay off other obligations, causing Stewart Title a loss of approximately \$256,453.

12. On or about June 30, 2011, Benchmark Bank, located in Texas, wired approximately \$207,495 into Aracor's Beneficial Savings Bank escrow account ending 6803, for a settlement on the property located at 15 Orchard Drive, Dillsburg, PA. Rather than use the funds in the Beneficial Savings Bank escrow account to satisfy a mortgage lien held by "V.F.," the second lien holder of the property, on behalf of borrower "D.F.," defendant ANTHONY ANGELO wrongfully electronically transferred approximately \$47,500 from the escrow account to another bank account to pay off other obligations, causing Stewart Title a loss of approximately \$47,500.

13. On or about June 30, 2011, Benchmark Bank, located in Texas, wired approximately \$186,343 into Aracor's Beneficial Savings Bank escrow account ending 6803, on behalf of Infinity Home Mortgage Company, for a refinance settlement on the property located at

344 Wrights Road, Newtown, PA. Rather than use the funds in the Beneficial Savings Bank escrow account to satisfy a mortgage lien held by CitiMortgage, the first lien holder on the property, on behalf of borrowers "E.C." and "M.S.," defendant ANTHONY ANGELO wrongfully electronically transferred approximately \$184,599 from the escrow account to another bank account to pay off other obligations, causing Stewart Title a loss of approximately \$187,082.

14. On or about July 5, 2011, 1st Constitution Bank, located in New Jersey, wired approximately \$260,888 into Aracor's Beneficial Savings Bank escrow account ending 6803, on behalf of Consumers Mortgage Corporation, for a refinance settlement on the property located at 39 Grant Avenue, Haddon, NJ. Rather than use the funds in the Beneficial Savings Bank escrow account to satisfy a mortgage lien held by Franklin American Mortgage Company, the first lien holder of the property, on behalf of borrowers "D.C.#1" and "D.C.#2," defendant ANTHONY ANGELO wrongfully electronically transferred approximately \$258,182 from the escrow account to another bank account to pay off other obligations, causing Stewart Title a loss of approximately \$206,588.

15. On or about July 8, 2011, 1st Constitution Bank, located in New Jersey, wired approximately \$185,784 into Aracor's Beneficial Savings Bank escrow account ending 6803, on behalf of Consumers Mortgage Corporation, for a refinance settlement on the property located at 30 Steenykill Rd, Montague, NJ. Rather than use the funds in the Beneficial Savings Bank escrow account to satisfy a mortgage lien held by J.P. Morgan Chase Bank, the first lien holder of the property, on behalf of borrower "J.S.," defendant ANTHONY ANGELO wrongfully electronically transferred approximately \$149,801 from the escrow account to

another bank account to pay off other obligations, causing Stewart Title a loss of approximately \$158,134.

16. On or about August 16, 2011, purchaser "K.K." deposited into Aracor Bank of America escrow account ending 0800 a PNC Bank cashier's check in the approximate amount of \$90,473 to purchase property located at 215 Brookside Lane, Mars, PA, from the seller Aurora Loan Services, LLC, located in Denver, CO. Rather than use the funds to pay off all of the fees and costs for the purchase, defendant ANTHONY ANGELO wrongfully electronically transferred approximately \$8,816 from the escrow account to another bank account to pay off other obligations, causing a loss to Stewart Title of approximately \$118.00, as well as losses to other entities.

17. On or about September 22, 2011, Absolute Home Mortgage, a financial institution, located in West Paterson, NJ, wired approximately \$66,847 into Aracor's PNC Bank escrow account ending 2352, for a settlement on the property located at 508 Chapel Avenue West, Cherry Hill, NJ. Defendant ANTHONY ANGELO also induced and caused "L.M.," the purchaser of the property, to deposit checks in the approximate amounts of \$40,000 and \$6,000, into the PNC Bank escrow account ending 2352 as part of the settlement. Rather than use the funds in the PNC Bank escrow account to satisfy a mortgage lien held by Sun National Bank, the first lien holder of the property, on behalf of "L.M.," defendant ANTHONY ANGELO wrongfully electronically transferred approximately \$94,213 from the escrow account to another bank account to pay off other obligations, causing Stewart Title a loss of approximately \$93,851.

18. By converting the funds to benefit Aracor, defendant ANTHONY ANGELO caused Stewart Title a total loss of approximately \$1,286,866.

19. On or about each of the following dates, in the Eastern District of Pennsylvania, the District of New Jersey, and elsewhere, defendant

ANTHONY ANGELO

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, each transmission constituting a separate count:

| COUNT | DATE | ORIGIN OF WIRE | DESTINATION OF WIRE | METHOD OF WIRE AND DESCRIPTION |
|--------------|---------------|-----------------------|----------------------------|---|
| 1 | June 29, 2011 | New Jersey | Pennsylvania | Bank wire transfer of approximately \$252,382 from 1 st Constitution Bank in New Jersey to Aracor's account ending in 6803 at Beneficial Savings Bank. |
| 2 | July 5, 2011 | New Jersey | Pennsylvania | Bank wire transfer of approximately \$260,888 from 1 st Constitution Bank in New Jersey to Aracor's account ending in 6803 at Beneficial Savings Bank. |

All in violation of Title 18, United States Code, Section 1343.

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 4 of Count One are realleged here.
2. Wells Fargo Bank, N.A., was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.
3. On or about July 1, 2011, in the Eastern District of Pennsylvania, the District of New Jersey, and elsewhere, defendant

ANTHONY ANGELO

knowingly executed, and attempted to execute, a scheme to defraud Wells Fargo Bank, and to obtain monies owned by and under the care, custody, and control of that bank by means of false and fraudulent pretenses, representations, and promises.

THE SCHEME

4. Paragraphs 7 through 10 of Count One are realleged here.
5. Wells Fargo Bank, NA, located in San Francisco, CA, wired approximately \$293,066 into Aracor's Bank of America escrow account ending 0800, on behalf of borrower "G.P.," for a settlement on the property located at 9404 Amherst Avenue, Margate, New Jersey. When the settlement failed to go through, defendant ANTHONY ANGELO wrongfully converted and caused to be converted the entire amount by transferring and causing to be transferred the funds from the Wells Fargo escrow account to another escrow account to pay off other obligations, causing Wells Fargo a loss of approximately \$293,066.

All in violation of Title 18, United States Code, Section 1344.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1343 and 1344 set forth in this information, defendant

ANTHONY R. ANGELO

shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained directly or indirectly from the commission of such offense, including but not limited to \$1,251,109 in United States currency (money judgment).

2. If any of the property described above, as a result of any actor omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(c), both incorporating 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982 and Title 28,
United States Code, Section 2461.



LANE DAVID MEMEGER
United States Attorney