

RECEIVED

AUG 25 2015

AT 8:30 \_\_\_\_\_ M UNITED STATES DISTRICT COURT  
WILLIAM T. WALSH, CLERK DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Claire C. Cecchi  
: :  
: : Criminal No. 15 - 424  
v. : :  
: : 18 U.S.C. § 1349  
GEORGE BUSSANICH, SR., and : 18 U.S.C. § 1344  
GEORGE BUSSANICH, JR. : 18 U.S.C. § 2

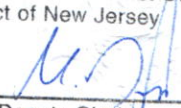
**INDICTMENT**

The Grand Jury, in and for the District of New Jersey, sitting at Newark,  
charges:

**COUNT ONE**  
**(Conspiracy to Commit Bank Fraud)**

**DEFENDANTS AND OTHERS**

1. At all times relevant to this Indictment:
  - a. Defendant George Bussanich, Sr. ("BUSSANICH SR.")  
resided in or around Park Ridge, New Jersey. BUSSANICH SR. owned and  
controlled various purported medical clinics and surgical centers in New  
Jersey.
  - b. Defendant George Bussanich, Jr. ("BUSSANICH JR.") resided  
in or around Hillside, New Jersey, and was BUSSANICH SR.'s son.
  - c. "CC#1," who is named as a coconspirator but not a  
defendant herein, resided in or around South Plainfield, New Jersey, and was  
BUSSANICH SR.'s partner in a sleep therapy clinic located in or around  
Cliffside Park, New Jersey.

I HEREBY CERTIFY that the above and  
foregoing is a true and correct copy of  
the original on file in my office.  
ATTEST 8-26-15  
WILLIAM T. WALSH, Clerk  
United States District Court  
District of New Jersey  
By:   
Deputy Clerk

d. "CC#2", who is named as a coconspirator but not a defendant herein, resided in or around South Plainfield, New Jersey. CC#2 worked for CC#1 and BUSSANICH SR. at the sleep therapy clinic in Cliffside Park, New Jersey.

#### MORTGAGE LENDING AND SHORT SALES

2. Mortgage loans were loans funded by banks, mortgage companies, and other financial institutions ("Lenders") to enable borrowers to finance the purchase of real estate property, giving the Lenders a secured interest in the property.

3. In some instances, Lenders used third-party mortgage servicing companies to manage mortgage loans, including collecting loan payments from borrowers, responding to borrower inquiries and, if necessary, initiating foreclosure actions against borrowers who defaulted on the mortgage loans.

4. A short sale was a type of real estate transaction in which a mortgaged property was sold for less than the amount owed by the seller on the underlying mortgage on the property. A short sale involved an agreement between the seller and the Lender who held a mortgage on the property, whereby the Lender agreed to release its mortgage in exchange for payment of less than the total amount owed on the mortgage.

5. The Lenders referred to herein were "financial institutions" as defined in Title 18, United States Code, Section 20, because they were "mortgage lending businesses" as defined in Title 18, United States Code,

Section 27. Each Lender was an organization which financed or refinanced debts secured by interests in real estate and whose activities affected interstate commerce. The Lenders were also insured by the Federal Deposit Insurance Corporation.

#### THE CONSPIRACY

6. From at least as early as in or about 2009 through in or about 2012, in Bergen County, in the District of New Jersey, and elsewhere, defendants

GEORGE BUSSANICH, SR., and  
GEORGE BUSSANICH, JR.,

did knowingly and intentionally conspire and agree with each other and others to devise a scheme and artifice to defraud financial institutions, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, those financial institutions, by means of materially false and fraudulent pretenses, representations and promises, contrary to Title 18, United States Code, Section 1344.

#### OBJECT OF THE CONSPIRACY

7. The object of the conspiracy was for BUSSANICH SR. and BUSSANICH JR. to enrich themselves by paying off mortgage loans on residential properties that they owned or controlled for amounts far less than owed by them through fraudulent short-sale transactions.

MANNER AND MEANS OF THE CONSPIRACY

8. It was part of the conspiracy that BUSSANICH SR. recruited straw purchasers, including CC#1 and CC#2, to pose as unrelated bona fide purchasers in connection with the fraudulent short-sale transactions.

9. It was further part of the conspiracy that BUSSANICH JR. negotiated the fraudulent short-sale transactions with mortgage companies and/or third-party mortgage servicing companies by intentionally misrepresenting the circumstances surrounding the transactions, the nature of his and BUSSANICH SR.'s relationships with the purported purchasers, and the source of the funds used to purchase the properties.

10. It was further part of the conspiracy that BUSSANICH SR. used business entities that he controlled to transfer money to fund the fraudulent short-sale transactions and his subsequent repurchase of the properties in order to conceal his identity and involvement in the unlawful transactions.

11. To effect the object of the conspiracy, the following acts, among others, were taken:

a. In or around 2009, BUSSANICH SR. recruited CC#1 to serve as a straw buyer for property that BUSSANICH JR. owned located on Jefferson Avenue in Emerson, New Jersey (the "Jefferson Avenue Property"). Among other things, BUSSANICH SR. explained to CC#1 that he would provide CC#1 the funds to purchase the Jefferson Avenue Property, the transaction would be a short sale, and CC#1 would sell the Jefferson Avenue Property back to

BUSSANICH SR. on a later date.

b. In or around January 2010, BUSSANICH JR. submitted a request to a mortgage servicing company servicing a mortgage loan on the Jefferson Avenue Property for approval to sell the property in a short sale. In the written request to the mortgage servicing company, BUSSANICH JR. made numerous material misrepresentations and omissions, including:

- i. referring to the Jefferson Avenue Property several times as his “home,” when in reality BUSSANICH JR. did not reside there;
- ii. claiming that he had “received an offer from a bona fide purchaser” whom he described as “strong buyers . . . putting down 20% of the purchase price,” when in reality, the buyer was a business partner of BUSSANICH SR. who had been recruited to serve as a straw purchaser; and
- iii. failing to disclose that his father, BUSSANICH SR., would be funding CC#1’s purchase of the Jefferson Avenue Property, and that CC#1 had agreed to sell it back to BUSSANICH SR. on a later date.

c. In or around 2010, BUSSANICH SR. recruited CC#2 to serve as a straw buyer in a fraudulent short sale involving property that BUSSANICH JR. owned located on Lillian Street in Park Ridge, New Jersey (the “Lillian Street Property”).

d. In or around December 2010, BUSSANICH SR. and/or BUSSANICH JR. paid CC#2 \$5,000 for serving as a straw purchaser in connection with the fraudulent short sale of the Lillian Street Property.

e. In or around April 2012, BUSSANICH SR., through an entity that he owned and controlled, purchased the Jefferson Avenue and Lillian Street Properties back from CC#1 and CC#2 using funds that BUSSANICH SR. owed CC#1 from prior business dealings.

In violation of Title 18, United States Code, Section 1349.

**COUNTS 2 and 3**  
**(Bank Fraud)**

1. The allegations set forth in Paragraphs 1 through 5 and 7 through 11 of Count One of this Indictment are hereby repeated, realleged, and incorporated as if fully set forth herein.

2. On or about the dates set forth below, in Bergen County, in the District of New Jersey, and elsewhere, defendants

GEORGE BUSSANICH, SR., and  
GEORGE BUSSANICH, JR.,

did knowingly and intentionally devise and attempt to devise a scheme and artifice to defraud financial institutions, and obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, those financial institutions, by means of materially false and fraudulent pretenses, representations, and promises, namely, through the manner and means described in paragraphs 8 through 11 of Count One of this Indictment, and for the purpose of executing and attempting to execute this scheme and artifice, defendants BUSSANICH SR. and BUSSANICH JR. did knowingly submit and cause the following fraudulent short-sale applications to be submitted, each submission constituting a separate count of this Indictment:

Count	Approximate Date	Description
2	January 15, 2010	Fraudulent application for short sale involving the Jefferson Avenue Property
3	October 11, 2010	Fraudulent application for short sale involving the Lillian Street Property

In violation of Title 18, United States Code, Section 1344 and Section 2.



**FORFEITURE ALLEGATION**


1. As a result of committing one or more of the bank fraud and conspiracy offenses charged in Counts One, Two and Three of this Indictment, defendants BUSSANICH SR. and BUSSANICH JR. shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(A), any and all property constituting or derived from proceeds obtained directly or indirectly as a result of such offense.

**Substitute Assets Provision**

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant(s):

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

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

  
\_\_\_\_\_  
PAUL J. FISHMAN  
UNITED STATES ATTORNEY

CASE NUMBER: 15-424(ccc)

---

---

**United States District Court  
District of New Jersey**

---

---

**UNITED STATES OF AMERICA**

**v.**

**GEORGE BUSSANICH, SR. and  
GEORGE BUSSANICH, JR.**

---

---

**INDICTMENT FOR**

18 U.S.C. §§ 1349, 1344, and 2

---

---

**Foréperson**

---

---

**PAUL J. FISHMAN**  
*UNITED STATES ATTORNEY  
NEWARK, NEW JERSEY*

---

---

**NICHOLAS P. GRIPPO**  
*ASSISTANT U.S. ATTORNEY  
(973) 645-2915*

---

---