2009R000686/rah

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Crim. No. 10- 578 (DMC)
v.	:	
RONALD J. O'MALLEY and LAURA-JEAN ARVELO	:	18 U.S.C. § 1014, 1343, 1344, 1349 & § 2

INDICTMENT

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

COUNT 1
Conspiracy to Commit Wire Fraud
(Both Defendants)

1. At all times relevant to Count 1 of this Indictment:

A. Defendant RONALD J. O'MALLEY was a resident of Upper Saddle River, New Jersey, and a co-owner and principal of Diversified Financial Group, d/b/a Residential Mortgage Corporation ("Residential Mortgage"), with offices in Ridgewood, New Jersey. Residential Mortgage was a mortgage brokerage business that assisted individual borrowers in applying for and receiving mortgage and other loans from various lenders, including financial institutions, in connection with the purchase or refinancing of real estate properties.

B. Defendant O'MALLEY also served as the Chairman and a Commissioner of the Bergen County Improvement Authority (the "BCIA"), with offices in Hackensack, New Jersey. The BCIA was an independent public agency created by the Bergen County Board of

Chosen Freeholders and authorized by New Jersey law to make loans to governmental units, entities, and persons for the planning, design, construction, and acquisition of public facilities in Bergen County.

C. Defendant LAURA-JEAN ARVELO was a resident of River Vale, New Jersey, and was employed by Residential Mortgage as a Loan Officer and Vice President. Defendant ARVELO's duties at Residential Mortgage included, among other things, preparing borrowers' mortgage and other loan applications; assembling supporting documents regarding borrowers' assets, liabilities, employment, and income; submitting the applications and supporting documents to lenders; and responding to lenders' questions and requests for additional information. Defendant ARVELO also served as the executive assistant to defendant O'MALLEY and, in that capacity, performed duties that included answering and placing telephone calls and drafting and sending correspondence at the direction, and on behalf, of defendant O'MALLEY.

D. EDWARD OLIMPIO, who is named as a co-conspirator and co-schemer but not as a defendant herein, was a licensed mortgage loan originator and the remaining co-owner and principal of Residential Mortgage.

E. CC-4, who is named as a co-conspirator and co-schemer but not as a defendant herein, was employed at

Residential Mortgage as a Loan Officer. CC-4's duties at Residential Mortgage included, among other things, preparing borrowers' mortgage and other loan applications; assembling supporting documents regarding borrowers' assets, liabilities, employment, and income; submitting the applications and supporting documents to lenders; and responding to lenders' questions and requests for additional information.

F. RACHELL FISCHBEIN, who is named as a co-conspirator and co-schemer but not as a defendant herein, was employed at Residential Mortgage as a Loan Processor. FISCHBEIN's duties at Residential Mortgage were similar to those of CC-4, except that FISCHBEIN typically handled home equity lines of credit, or "HELOCs," whereas CC-4 typically handled traditional mortgage loans.

G. An Individual ("Individual 1") held a management position at the BCIA. In that position, Individual 1 oversaw the BCIA's daily activities and supervised its staff.

H. The following were financial institutions, within the meaning of Title 18, United States Code, Section 20, whose deposits were insured by the Federal Deposit Insurance Corporation ("FDIC") and who were engaged in the business of making mortgage and other loans to the public (collectively, the "Financial Institution Lenders"):

i. American Partners Bank, later known as Waterfield Bank, with offices in New Jersey, Florida, and Indiana ("American Partners");

ii. JPMorgan Chase Bank, N.A., with offices in Florida, North Carolina and Ohio ("Chase");

iii. Citibank, N.A., with offices in Maryland, Missouri and Texas ("Citibank"); and

iv. Hudson City Savings Bank, FSB, with offices in New Jersey ("HCSB").

I. The following entities also were engaged in the business of making mortgage and other loans to the public (collectively, the "Non-Financial Institution Lenders").

i. Gateway Funding Diversified Mortgage Services, L.P., with offices in Pennsylvania ("Gateway");

ii. First Magnus Financial Corporation, with offices in New Jersey and Arizona ("First Magnus");

iii. Lincoln Mortgage Company, with offices in New Jersey and Pennsylvania ("Lincoln"); and

iv. CitiMortgage, Inc., with offices in Maryland, Missouri and Texas ("CitiMortgage").

The Financial Institution and Non-Financial Institution Lenders, when discussed collectively, are referred to as the "Lenders."

The Conspiracy

2. From in or about June 2006 to in or about June 2009, in Bergen County, in the District of New Jersey, and elsewhere, defendants

RONALD J. O'MALLEY and
LAURA-JEAN ARVELO

did knowingly and intentionally conspire and agree with each other, EDWARD OLIMPIO, CC-4, RACHELL FISCHBEIN, and others to use wire communications in interstate commerce for the purpose of executing a scheme and artifice to defraud the Lenders and to obtain money from the Lenders by means of materially false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1343.

Object of the Conspiracy

3. The object of the conspiracy was for defendants RONALD J. O'MALLEY and LAURA-JEAN ARVELO; EDWARD OLIMPIO, CC-4, and RACHELL FISCHBEIN; and others to submit materially false and fraudulent mortgage and other loan applications and supporting documents to the Lenders in order to fraudulently cause the Lenders to fund mortgage and other loans to borrowers, as well as fees paid to Residential Mortgage that were calculated on the basis of those loans, via wire communications in interstate commerce.

Methods and Means of the Conspiracy

4. It was a part of the conspiracy that defendants RONALD J. O'MALLEY and LAURA-JEAN ARVELO; EDWARD OLIMPIO, CC-4, and RACHELL FISCHBEIN; and others would:

A. (i) falsely represent on loan applications and supporting documents submitted to the Lenders that certain borrowers were employed by and receiving a salary from the BCIA when, in fact, the borrowers were not so employed and did not receive such a salary; (ii) create, cause to be created, and submit to the Lenders false and fraudulent Forms W-2, paystubs, and other documents that purported to provide evidence of the borrowers' employment and salary at the BCIA; and (iii) cause Individual 1 and the staff of the BCIA to respond to telephone calls from the Lenders seeking to verify the borrowers' employment by falsely stating that the borrowers were employed at the BCIA;

B. provide false employment information for borrowers involving purported employers other than the BCIA on loan applications submitted to the Lenders and create, cause to be created, and submit to the Lenders false and fraudulent documentation--including false and fraudulent Verification of Employment ("VOE") forms, Forms W-2, paystubs, and letters purportedly written by Certified Public Accountants (the "CPAs") --in support of the applications;

C. provide false asset information for borrowers on loan applications submitted to the Lenders and create and submit to the Lenders false and fraudulent documentation, including false and fraudulent Verification of Deposit ("VOD") forms and bank and brokerage account statements, many of which were created by fraudulently altering defendant O'MALLEY's and CC-4's own account statements in order to make it appear that the accounts belonged to the borrowers, in support of the applications;

D. create and submit to the Lenders false and fraudulent lease agreements purporting to show that certain borrowers had rental income from existing properties--income that the borrowers did not in fact receive; and

E. receive fees directly and indirectly from the Lenders that were calculated on the basis of the fraudulently-obtained mortgage and other loans, including fixed brokerage fees and Yield Spread Premiums ("YSPs").

Fraudulent Activity

5. To further the conspiracy, defendants RONALD J. O'MALLEY and LAURA-JEAN ARVELO; EDWARD OLIMPIO, CC-4, and RACHELL FISCHBEIN; and others conducted the following activity in the District of New Jersey and elsewhere:

A. In or about June 2006, a borrower ("Borrower 1") and Borrower 1's spouse sought to obtain a home equity line of credit ("HELOC") secured by property that they owned in Ho-Ho-

Kus, New Jersey. Defendant O'MALLEY and others prepared, caused to be prepared, and submitted to First Magnus on Borrower 1's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 1 had assets purportedly held in two accounts at Bank of America, each of which was identified in the application by a specific account number. In support of this fraudulent loan application, defendant O'MALLEY and others created, caused to be created, and submitted to First Magnus a false and fraudulent VOD form, purporting to verify that as of July 20, 2006, Borrower 1 held two accounts at Bank of America with the account numbers listed in the application, one with a current balance of $23,588.14 and the other with a current balance of $14,978.86. In fact, the first account number listed in the application actually belonged to defendant O'MALLEY, jointly with his mother, and had a balance of only approximately $3,588.14 on or about that date. The second account number was fictitious. Based on the false and fraudulent loan application and supporting documentation, on or about July 26, 2006, First Magnus approved a $300,000 HELOC for Borrower 1 and Borrower 1's spouse and, in furtherance of that loan, initiated an interstate wire transfer from Arizona to New Jersey that included, among other sums, a YSP of approximately $2,500 to be paid to Residential Mortgage.

B. In or about October 2006, a borrower ("Borrower 2") sought to obtain a mortgage loan to finance Borrower 2's purchase of a residence in Denver, North Carolina. Defendant O'MALLEY and others prepared, caused to be prepared, and submitted to American Partners on Borrower 2's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 2 was employed by "Guaranteed Solutions" as an "Administrator" with a gross monthly employment income of $6,260. In support of this fraudulent loan application, on or about October 18, 2006, defendant O'MALLEY and others sent and caused to be sent, via interstate wire transmission from New Jersey to North Carolina, a facsimile message to the office of Borrower 2's real estate attorney that enclosed American Partners' preliminary closing instructions for the mortgage loan as well as a loan commitment letter and various disclosure forms bearing Borrower 2's signature. In further support of the fraudulent loan application, defendant O'MALLEY and others created, caused to be created, and submitted to American Partners a fraudulent VOE form that falsely stated, among other things, that Borrower 2 had been employed by Guaranteed Solutions since 1998 and had a current gross base pay of $75,120 annually. In fact, Borrower 2 was not employed by Guaranteed Solutions, which was an entity maintained by defendant O'MALLEY in order to operate a rental property that defendant O'MALLEY owned jointly

with another individual ("Individual 2"), a local law enforcement officer. The false and fraudulent VOE form was purportedly signed by Individual 2, as the "Managing Director" of Guaranteed Solutions, and listed, as the company's purported address, a post office box in Saddle River, New Jersey, to which both Individual 2 and defendant O'MALLEY had access (the "Saddle River P.O. Box"). Based on the false and fraudulent loan application and supporting documentation, on or about October 30, 2006, American Partners approved a $250,000 mortgage loan to Borrower 2 and, in furtherance of that loan, initiated an interstate wire transfer from Indiana to North Carolina that included, among other sums, a YSP of approximately $3,115 to be paid to Residential Mortgage.

C. In or about May 2007, Borrower 2 and Borrower 2's spouse sought to obtain a mortgage loan to finance their purchase of a residence in Hazlet, New Jersey. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to American Partners on Borrower 2's behalf a fraudulent loan application that falsely stated, among other things, that Borrower 2 was employed by "Guaranteed Solutions" as a "Coordinator," with a gross monthly employment income of $6,450. In support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others, created, caused to be created, and submitted to American Partners a letter purporting to be from Borrower 2, falsely stating that upon moving back to New Jersey

from North Carolina, "I resumed my old position with guaranteed solutions Inc . . . in basically the same position and terms that I had left in late 2006." In fact, Borrower 2's purported signature on this letter was cut-and-pasted from another document. Based on the false and fraudulent loan application and supporting documentation, on or about May 31, 2007, American Partners approved a $308,000 mortgage loan to Borrower 2 and, in furtherance of that loan, initiated an interstate wire transfer from a location outside New Jersey to New Jersey that included, among other sums, a YSP of approximately $4,770.92 to be paid to Residential Mortgage.

D. In or about November 2006, a borrower ("Borrower 3") sought to obtain a mortgage loan to finance Borrower 3's purchase of a residence in Harrington Park, New Jersey (the "Harrington Park Property"). Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to American Partners on Borrower 3's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 3 (i) was employed by the BCIA as a "Police Dispatch Supervisor" with a gross monthly employment income of $7,986; and (ii) had assets of (a) $93,592.66, purportedly held in an account at Bank of America, and (b) $4,330.93, purportedly held in an account at Commerce Bank. Each purported account was identified in the application by a specific account number. In support of this

fraudulent loan application, defendant O'MALLEY, CC-4, and others, created, caused to be created, and submitted to American Partners a false and fraudulent VOD form, purporting to verify that as of November 14, 2006, Borrower 3 held an account at Bank of America with the account number and balance listed in the application. In fact, the account number listed in the application was the same account belonging to defendant O'MALLEY and his mother that was used to create false and fraudulent asset documentation for Borrower 1, as described above, and had a balance of only approximately $3,592.66 on or about that date. Defendant O'MALLEY, CC-4, and others also created, caused to be created, and submitted to American Partners false and fraudulent bank statements purporting to show that as of November 10, 2006, Borrower 3 held an account at Commerce Bank with the account number and balance listed in the application. In fact, the bank statements actually belonged to CC-4 and were fraudulently altered to show Borrower 3's name and home address. In further support of the false and fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to Gateway a fraudulent VOE form, to which defendant O'MALLEY signed Individual 1's name, falsely stating that Borrower 3 was employed by the BCIA with a monthly gross base pay of $7,986. On or about December 4, 2006, Individual 1 falsely confirmed, during a telephone call with an American Partners

representative, that Borrower 3 was employed by the BCIA. In fact, Borrower 3 was not employed by the BCIA, and was, instead, employed by a local police department, with a substantially lower income than the amount represented in the VOE and loan application. Based on the false and fraudulent loan application and supporting documentation, on or about December 5, 2006, American Partners approved a $328,000 mortgage loan to Borrower 3 and, in furtherance of that loan, initiated an interstate wire transfer from Virginia to New Jersey that included, among other sums, a YSP of approximately $5,219.52 to be paid to Residential Mortgage.

E. In or about January 2007, Borrower 3 sought to obtain a mortgage loan to finance Borrower 3's purchase of a residence in Oradell, New Jersey (the "Oradell Property"). Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to Gateway on Borrower 3's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 3 (i) was employed by the BCIA as a "Police Dispatcher" with a gross monthly employment income of $8,241; and (ii) had assets of $16,212.67 held in a brokerage account at TD Ameritrade. The fraudulent loan application also intentionally failed to disclose that Borrower 3 owned the Harrington Park Property and that Borrower 3 had an approximately $328,000 debt as a result of the mortgage on the Harrington Park Property. In

support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to Gateway a fraudulent VOE form, to which defendant O'MALLEY signed Individual 1's name, falsely stating that Borrower 3 was employed by the BCIA with a monthly gross base pay of $8,241. On or about June 26, 2007, defendants O'MALLEY and ARVELO caused a member of the BCIA staff to falsely confirm, during a telephone call with a Gateway representative, that Borrower 3 was employed by the BCIA. In fact, Borrower 3 was not employed by the BCIA, and instead continued to be employed by the same local police department. In further support of the fraudulent loan application, defendant O'MALLEY, CC-4, and others, created, caused to be created, and submitted to Gateway false and fraudulent account statements purporting to show that, as of February 28, 2007, Borrower 3 held an account with TD Ameritrade with the balance listed in the application. In fact, the account statements actually belonged to CC-4 and were fraudulently altered to show Borrower 3's name and the address of the Harrington Park Property. Based on the false and fraudulent loan application and supporting documentation, on or about June 28, 2007, Gateway approved a $361,000 mortgage loan to Borrower 3 and, in furtherance of that loan, initiated an interstate wire transfer from New York to New Jersey that included, among other sums, a YSP of approximately $4,109 to be paid to Residential Mortgage.

F. In or about December 2006, a borrower ("Borrower 4") and Borrower 4's spouse sought to obtain a HELOC secured by property that they owned in Waldwick, New Jersey. Defendant O'MALLEY and others prepared, caused to be prepared, and submitted to First Magnus on Borrower 4's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 4 (i) was employed by a business operated by Borrower 4's spouse, with a gross monthly employment income of $13,620.33; and (ii) had assets of $35,955.07 in an account held at Boiling Springs Savings Bank ("BSSB") that was identified in the application by a specific account number. In fact, Borrower 4 was not employed by Borrower 4's spouse's business, did not have employment income in that amount, and did not have an account at BSSB. In support of this fraudulent loan application, O'MALLEY and others created, caused to be created, and submitted to First Magnus a false and fraudulent document containing copies of pages from a BSSB passbook, purporting to show that as of on or about December 1, 2006, Borrower 4 had an account at BSSB with a balance of approximately $35,955.07. In fact, the passbook pages actually pertained to an account held by defendant O'MALLEY at BSSB, and the document was created by fraudulently altering copies of defendant O'MALLEY's passbook to show Borrower 4's name and a fictitious account number. Based on the false and fraudulent loan application and supporting documentation, on or

about December 21, 2006, First Magnus approved a $450,000 HELOC for Borrower 4 and, in furtherance of that loan, initiated an interstate wire transfer from Arizona to New Jersey that included, among other sums, a YSP of approximately $2,250 to be paid to Residential Mortgage.

G. In or about January 2008, Borrower 4 and Borrower 4's spouse sought to obtain a mortgage loan to refinance their property in Waldwick, New Jersey, as well as obtain a HELOC secured by that property in the amount of $100,000. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to Chase on Borrower 4's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 4 was employed by the BCIA as "Admin of County Equestrian" with a gross monthly income of $12,850. In support of this fraudulent loan application, defendants O'MALLEY and ARVELO, OLIMPIO, CC-4, and others (i) created, caused to be created, and submitted to Chase false and fraudulent Forms W-2 and a paystub purportedly issued by the BCIA to Borrower 4 and (ii) on or about February 12, 2008, caused a member of the BCIA staff to falsely confirm, during a telephone call with a Chase representative, that Borrower 4 was employed by the BCIA. In fact, Borrower 4 was not employed by the BCIA, and instead continued to assist with the operation of Borrower 4's spouse's business. On or about January 25, 2008, Chase informed

Residential Mortgage that Borrower 4's application for a refinancing loan had been approved, but that Borrower 4 only would be approved for a $50,000 HELOC. In an attempt to persuade Chase to increase the amount of the HELOC, on January 30, 2008, defendant O'MALLEY sent to Chase, with copies to defendant ARVELO, OLIMPIO, and CC-4, an e-mail communication that falsely stated, among other things, that Borrower 4 was "another government employee with those weird pay stubs;" that Borrower 4's "actual salary" on a gross monthly basis was in fact $12,818; and that an item appearing on Borrower 4's false and fraudulent BCIA paystub was a form of "savings" for Borrower 4 as a government employee that defendant O'MALLEY offered to detail further by "get[ting] a letter from the County explaining that this is a normal payroll deduction." Defendant O'MALLEY, CC-4, and others subsequently created, caused to be created, and submitted to Chase a letter purporting to be from Individual 1, on BCIA letterhead, that falsely explained "the BCIA paystub for [Borrower 4]." Based on the false and fraudulent loan application and supporting documentation, on or about February 13, 2008, Chase approved a $410,000 mortgage loan and $95,000 HELOC to Borrower 4 and, in furtherance of those loans, initiated an interstate wire transfer from Ohio to New Jersey that included, among other sums, YSPs of $10,528.80 and $1,950 to be paid to Residential Mortgage.

H. In or about January 2007, a borrower ("Borrower 5") and Borrower 5's spouse sought to obtain a mortgage loan to refinance a property that they owned in Maywood, New Jersey, which was used by Borrower 5's spouse as a place of business (the "Maywood Office Property"). Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to American Partners on Borrower 5's behalf, a fraudulent loan application that (i) falsely stated that Borrower 5 was employed by the BCIA as a Registered Nurse with a gross monthly employment income of $11,538.91; (ii) falsely stated that the Maywood Office Property was Borrower 5's primary residence; and (iii) intentionally failed to disclose Borrower 5's ownership of Borrower 5's actual primary residence, also located in Maywood. In support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to American Partners a fraudulent VOE form, purportedly signed by the Deputy Executive Director of the BCIA, that falsely stated, among other things, that Borrower 5 was employed by the BCIA as a "Director/ Registered Nurse" and that Borrower 5 had received approximately $135,421 in gross earnings from the BCIA during the immediately preceding calendar year. On or about March 29, 2007, defendants O'MALLEY and ARVELO caused a member of the BCIA staff to falsely confirm, during a telephone call with an American Partners representative, that Borrower 5 was employed by the BCIA. In

fact, Borrower 5 was not employed by the BCIA, and instead was employed elsewhere, with a substantially lower income than the amount represented on the loan application and VOE form. Based on the false and fraudulent loan application and supporting documentation, on or about April 17, 2007, American Partners approved a $350,000 mortgage loan to Borrower 5 and, in furtherance of that loan, initiated an interstate wire transfer from Virginia to New Jersey that included, among other sums, a YSP of approximately $5,022.50 to be paid to Residential Mortgage.

I. In or about November 2007, Borrower 5 and Borrower 5's spouse sought to obtain a HELOC secured by their actual primary residence in Maywood. Defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others prepared, caused to be prepared, and submitted to Chase on Borrower 5's behalf, a fraudulent loan application that (i) falsely stated, among other things, that Borrower 5 was employed as "Head of Nursing" for the BCIA with a gross monthly employment income of $18,583.33; and (ii) intentionally did not disclose Borrower 5's ownership, with Borrower 5's spouse, of the Maywood Office Property. In support of this fraudulent loan application, defendants O'MALLEY and ARVELO, OLIMPIO, FISCHBEIN, and others created, caused to be created, and submitted to Chase false and fraudulent Forms W-2 and a paystub purportedly issued by the BCIA to Borrower 5. In

fact, Borrower 5 was not employed by the BCIA, and continued to be employed elsewhere, with a substantially lower income than the amount represented on the loan application and Forms W-2 and paystub. Based on the false and fraudulent loan application and supporting documentation, on or about February 1, 2008, Chase approved a $150,000 HELOC for Borrower 5 and, in furtherance of that loan, initiated an interstate wire transfer from Ohio to New Jersey that included, among other sums, a YSP of approximately $1,975 to be paid to Residential Mortgage.

J. In or about February 2007, a borrower ("Borrower 6") sought to obtain a mortgage loan to finance Borrower 6's purchase of a condominium in Palisades Park, New Jersey. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to American Partners on Borrower 6's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 6 had (i) a gross monthly employment income of $9,150; and (ii) assets of $141,892 held in a checking or savings account. In support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to American Partners a fraudulent VOE form falsely stating that Borrower 6 was employed at a Fort Lee business with a current annual gross base pay of $109,800. In fact, Borrower 6's actual income from the Fort Lee business was substantially less than that amount. In further support of

the fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to American Partners a fraudulent document containing copies of pages from a Kearny Federal Savings Bank ("KFSB") passbook, purporting to show that as of on or about December 19, 2006, Borrower 6 had an account at KFSB with a balance of approximately $141,892.12. In fact, the passbook pages actually pertained to an account held by defendant O'MALLEY at KFSB, and the document was created by fraudulently altering copies of defendant O'MALLEY's passbook to show Borrower 6's name and a fictitious account number. Based on the false and fraudulent loan application and supporting documentation, on or about March 9, 2007, American Partners approved a $336,000 mortgage loan and $42,000 HELOC to Borrower 6 and, in furtherance of those loans, initiated an interstate wire transfer from a location outside New Jersey to New Jersey that included, among other sums, a YSP of approximately $6,535.20 to be paid to Residential Mortgage.

K. In or about March 2007, a borrower ("Borrower 7") and another individual sought to obtain a mortgage loan to finance their purchase of a residence in Rochelle Park, New Jersey. Defendant O'MALLEY and others prepared, caused to be prepared, and submitted to American Partners on Borrower 7's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 7 had assets of $36,364 held in an

account at BSSB that was identified in the loan application with a specific account number. In support of the fraudulent loan application, defendant O'MALLEY and others created, caused to be created, and submitted to American Partners a fraudulent document containing copies of pages from a BSSB passbook, purporting to show that as of on or about March 9, 2007, Borrower 7 had an account at BSSB with a balance of approximately $36,364. In fact, the passbook pages actually pertained to the same account held by defendant O'MALLEY at BSSB that had been used to create false and fraudulent asset documentation for Borrower 4, as described above. As with Borrower 4's loan application, the passbook pages submitted to American Partners in connection with Borrower 7's loan application were created by fraudulently altering copies of defendant O'MALLEY's passbook to show Borrower 7's name and a fictitious account number. Based on the false and fraudulent loan application and supporting documentation, on or about April 23, 2007, American Partners approved a $290,000 mortgage loan and $36,250 HELOC to Borrower 7 and, in furtherance of those loans, initiated an interstate wire transfer from Virginia to New Jersey that included, among other sums, a YSP of approximately $5,518.70 to be paid to Residential Mortgage.

L. In or about February 2007, a borrower ("Borrower 8") sought to obtain a mortgage loan to finance Borrower 8's purchase of a residence in Hackensack, New Jersey (the

"Hackensack Property"). Borrower 8 was a co-owner of a business located in Hackensack, and sought to acquire the Hackensack Property, which was located adjacent to the business, as part of a planned expansion. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to American Partners on Borrower 8's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 8: (i) intended to occupy the Hackensack Property as Borrower 8's primary residence; (ii) was employed by the business as its "Director of Operations" with a gross monthly employment income of $28,212; and (iii) had assets of $142,468, purportedly held in an account at KSFB that was identified in the application by a specific account number. In support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to American Partners a fraudulent VOE form purportedly signed by a CPA on behalf of the business. This form falsely stated that Borrower 8 was employed by the business as its "Director of Operations - Banquet - Lodging and All Food Service," with a current monthly gross base pay of $28,212. In fact, the signature of the CPA was a forgery and the address given for the CPA was the Saddle River P.O. Box to which defendant O'MALLEY had access. In further support of the fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to American Partners

a fraudulent document containing copies of pages from a KFSB passbook, purporting to show that as of April 2007, Borrower 8 had an account at KFSB with the balance and account number shown in the application. In fact, the passbook pages actually pertained to the same account held by defendant O'MALLEY at KFSB that was used to create false and fraudulent asset documentation for Borrower 6, as described above. As with Borrower 6's loan application, the passbook pages submitted to American Partners in connection with Borrower 8's loan application were created by fraudulently altering copies of defendant O'MALLEY's passbook to show Borrower 8's name and a fictitious account number. Based on the false and fraudulent loan application and supporting documentation, on or about May 8, 2007, American Partners approved a $400,500 mortgage loan to Borrower 8 and, in furtherance of that loan, initiated an interstate wire transfer from Virginia to New Jersey that included, among other sums, a YSP of approximately $12,067.07 to be paid to Residential Mortgage.

M. In or about May 2007, a borrower ("Borrower 9") sought to obtain a mortgage loan to finance Borrower 9's purchase of a residence in Vernon, New Jersey. Defendant O'MALLEY, CC-4, and others, prepared, caused to be prepared, and submitted to Lincoln on Borrower 9's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 9 was

employed by the BCIA as an "Executive Assistant" with a gross monthly employment income of $6,000. In support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to Lincoln a fraudulent VOE form signed by CC-4, purporting to confirm that CC-4 had spoken by telephone to Individual 1 and that Individual 1 had confirmed Borrower 9's employment by the BCIA. On or about July 20, 2007, defendants O'MALLEY and ARVELO caused a member of the BCIA staff to falsely confirm, during a telephone call with a Lincoln representative, that Borrower 9 was employed by the BCIA. In fact, Borrower 9, who was approximately 79 years old at the time of the telephone call, was not employed by the BCIA, and instead was retired. Based on the false and fraudulent loan application and supporting documentation, on or about July 20, 2007, Lincoln approved a $360,000 mortgage loan to Borrower 9 and, in furtherance of that loan, initiated an interstate wire transfer from Pennsylvania to New Jersey that included, among other sums, a YSP of approximately $4,500 to be paid to Residential Mortgage.

N. In or about June 2007, a borrower ("Borrower 10") sought to obtain a mortgage loan to finance Borrower 10's purchase of a condominium property in Chicago, Illinois. Defendant O'MALLEY, CC-4, and others, prepared, caused to be prepared, and submitted to American Partners on Borrower 10's

behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 10 (i) was employed by the BCIA as its "General Counsel" with a gross monthly employment income of $21,250; and (ii) had assets in the approximate amount of $1,109,377, held in an account at Signature Bank. In support of this fraudulent loan application, (i) defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to American Partners a fraudulent VOE form, to which defendant O'MALLEY signed Individual 1's name, that falsely stated, among other things, that Borrower 10 was employed by the BCIA and that Borrower 10 had a gross monthly employment income from the BCIA of $21,250, and (ii) on or about August 6, 2007, Individual 1 falsely stated, during a telephone call with an American Partners representative, that Borrower 10 was employed by the BCIA. In fact, while Borrower 10 and Borrower 10's law firm provided legal services to the BCIA, Borrower 10 was not employed there and did not receive individual employment income from the BCIA in that amount. In further support of the fraudulent loan application, defendant O'MALLEY, CC-4, and others also created, caused to be created, and submitted to American Partners fraudulent bank statements purporting to show that Borrower 10 held an account at Signature Bank with a balance of approximately $1,109,377.23 as of June 30, 2007. In fact, the bank statements actually pertained to an account held by defendant O'MALLEY and were

fraudulently altered to show Borrower 10's name and home address and a fictitious account number. Based on the false and fraudulent loan application and supporting documentation and information, on or about August 7, 2007, American Partners approved a $182,300 mortgage loan and a $34,150 HELOC to Borrower 10 and, in furtherance of those loans, initiated interstate wire transfers from outside the state of Ohio to Ohio that included, among other sums, fees to be paid to Residential Mortgage.

O. On or about July 23, 2007, a firm representing American Partners contacted BSSB to perform "a routine audit of various mortgage loans," including the mortgage loans issued to Borrower 7. The firm provided BSSB with copies of the fraudulently-altered passbook pages provided to American Partners in connection with Borrower 7's loan application and asked BSSB to confirm whether the document had been prepared by BSSB and whether the account number and balance "agree[d] with [BSSB's] records." BSSB responded, on or about August 1, 2007, that it had "no such account number[]" and "no accounts for [Borrower 7]." BSSB was able to determine, however, that the passbook in question actually belonged to defendant O'MALLEY, and a representative of BSSB contacted defendant O'MALLEY to discuss the matter. On or about August 3, 2007, defendant O'MALLEY falsely stated to a representative of BSSB that his briefcase, containing his BSSB passbook, had been stolen on or about March

27, 2007, and that a mortgage loan subsequently had been obtained using the account information without his knowledge. Defendant O'MALLEY further represented that the briefcase and passbook eventually had been recovered and that he therefore did not wish the account to be closed. Defendant O'MALLEY failed to disclose that his BSSB passbook previously had been fraudulently altered and used in or about December 2006--prior to the date of its purported theft on March 27, 2007--in support of Borrower 4's loan application, described above.

P. In or about September 2007, a borrower ("Borrower 11") sought to obtain a HELOC secured by Borrower 11's residence in West Milford, New Jersey. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to Citibank on Borrower 11's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 11 had assets of approximately $46,603 in an account at Wachovia. In support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others created and caused to be created fraudulent bank statements purporting to show that as of August 10, 2007, Borrower 11 had a High Performance Money Market account at Wachovia with a balance of $46,517.21. In fact, the bank statements actually pertained to an account held by another Residential Mortgage client and were fraudulently altered to show Borrower 11's name and home address. In further support of the

fraudulent loan application, on or about October 22, 2007, CC-4 sent and caused to be sent, via interstate wire transmission from New Jersey to a server located in Maryland, Missouri, or Texas, a facsimile message to Citibank that enclosed the fraudulent bank statements. Based on the false and fraudulent loan application and supporting documentation, on or about October 26, 2007, Citibank funded by check a $125,000 HELOC to Borrower 11 and a YSP of approximately $1,000 to be paid to Residential Mortgage.

Q. On or about October 31, 2007, defendant O'MALLEY sent an e-mail communication to a New Jersey representative of American Partners, with a copy to OLIMPIO, regarding the mortgage loans issued to Borrowers 6 and 7. In the e-mail, defendant O'MALLEY falsely stated, among other things, that asset information had been falsified with regard to Borrowers 6 and 7 by an employee who had been terminated by Residential Mortgage earlier in 2007 for substance abuse issues and that defendant O'MALLEY "never realized that [the falsification] had happened" and "had no idea." Defendant O'MALLEY further falsely stated that the employee's departure "clearly insure[d] the problem is relatively contained" and "ask[ed] that [American Partners] understand this event as unintentional."

R. In or about October 2007, a borrower ("Borrower 12") sought to obtain a HELOC secured by Borrower 12's residence in Upper Saddle River. When Borrower 12's loan application to

Citibank was denied due to Citibank's inability to verify Borrower 12's income, defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others prepared, caused to be prepared, and submitted to Chase on Borrower 12's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 12 had a gross monthly employment income of $12,500 from a business located in Wallington, New Jersey. In support of this fraudulent loan application, on or about November 9, 2007, defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others created, caused to be created, and submitted to Chase, via interstate wire transmission from New Jersey to Ohio, a facsimile message containing a fraudulent document purporting to be a letter from a CPA with an office in Hackensack (the "Hackensack CPA"). The letter falsely stated that the Hackensack CPA had provided accounting services to Borrower 12 and Borrower 12's business "for the last six tax years," that Borrower 12 "has and continues to work in the import and export division of the operation" and that Borrower 12 and Borrower 12's company "are current on all taxes and financial reporting up to and including 2007." In fact, neither Borrower 12 nor Borrower 12's company were clients of the Hackensack CPA, and the Hackensack CPA did not prepare or sign the letter that was submitted to Chase. Based on the false and fraudulent loan application and supporting documentation, on or about November 26, 2007, Chase approved a $350,000 HELOC to Borrower 12 and, in

furtherance of that loan, initiated an interstate wire transfer from Ohio to New Jersey that included, among other sums, a YSP of approximately $1,970 to be paid to Residential Mortgage.

S. In or about October 2007, Borrower 12 also sought a mortgage loan to finance Borrower 12's purchase of a townhouse property in Mahwah, New Jersey. Defendant O'MALLEY, CC-4, and others prepared and submitted to American Partners on Borrower 12's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 12 (i) was employed as the "Director" of the BCIA with a gross monthly employment income of $9,166; (ii) rented, not owned, the Upper Saddle River residence that Borrower 12 had just refinanced, as described above; and (iii) had assets in the amount of $500,000 held in an account at Chase. In support of this false and fraudulent loan application, defendant O'MALLEY, CC-4, and others created and submitted to American Partners a VOE form, signed by CC-4, purporting to confirm that CC-4 had spoken by telephone to Individual 1 and that Individual 1 had verified that Borrower 12 had been employed by the BCIA for five years with an "excellent" probability of continued employment. On or about November 30, 2007, defendants O'MALLEY and ARVELO caused a member of the BCIA staff to falsely confirm, during a telephone call with an American Partners representative, that Borrower 12 was employed by the BCIA. In fact, Borrower 12, who was approximately 80 years old at the time

that these documents were submitted to American Partners, was not employed by the BCIA. Based on the false and fraudulent loan application and supporting documentation, American Partners approved a $275,000 mortgage loan to Borrower 12 and Borrower 12's spouse and sold the loan to Countrywide Home Loans, Inc. ("Countrywide"). In furtherance of that loan, on or about December 3, 2007, Countrywide initiated an interstate wire transfer from New York to New Jersey that included, among other sums, a YSP of approximately $6,088.50 to be paid to Residential Mortgage.

T. In or about November 2007, a borrower ("Borrower 13") sought to obtain a HELOC secured by Borrower 13's residence in Ramsey, New Jersey. Defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others prepared, caused to be prepared, and submitted to Chase on Borrower 13's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 13 (i) was the owner of a consulting firm based in Manasquan, New Jersey, with a monthly employment income from that firm of $19,583; and (ii) had assets of $1,146,012 held in a checking or savings account. In support of this fraudulent loan application, defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others created, caused to be created, and submitted to Chase a fraudulent document that purported to be a letter from the Hackensack CPA falsely stating that the Hackensack CPA had served as Borrower 13's accountant

"for over ten years," that Borrower 13 was "one of three principles [sic]" in the Manasquan firm and that Borrower 13 "has had ownership of this firm since 1994." In fact, neither Borrower 13 nor the company identified in the document were clients of the Hackensack CPA, the Hackensack CPA did not prepare or sign the letter that was submitted to Chase, and Borrower 13 did not operate the Manasquan firm. In further support of the fraudulent loan application, defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others also created, caused to be created, and submitted to Chase fraudulent bank statements purporting to show that Borrower 13 held an account at Signature Bank with a balance of approximately $1,116,612.91 as of on or about August 31, 2007. In fact, the bank statements actually pertained to the same account held by defendant O'MALLEY that was used to create false and fraudulent asset documentation for Borrower 10, as described above. As with Borrower 10's loan application, the statements submitted to Chase in connection with Borrower 13's loan application were created by fraudulently altering defendant O'MALLEY's statements to show Borrower 13's name and home address and a fictitious account number. Based on the false and fraudulent loan application and supporting documentation, on or about December 4, 2007, Chase approved a $350,000 HELOC to Borrower 13 and, in furtherance of that loan, initiated an interstate wire transfer from Ohio to New Jersey that included,

among other sums, a YSP of approximately $1,120 and brokerage fee of approximately $850 to be paid to Residential Mortgage.

U. In or about February 2008, a borrower ("Borrower 14") and Borrower 14's spouse sought to obtain a mortgage loan to finance their purchase of a residence in Caldwell, New Jersey. Defendants O'MALLEY and ARVELO, CC-4, and others prepared, caused to be prepared, and submitted to American Partners on Borrower 14's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 14 (i) had assets of $45,000 held in an account at the "Bergen County Federal Credit Union"; and (ii) had rental income of $2,000 per month from a condominium that Borrower 14 owned in Hackensack. In support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others, created, caused to be created, and submitted to American Partners false and fraudulent bank statements from Borrower 14's checking and savings accounts at another Federal Credit Union ("the FCU"), showing combined balances of $51,043.08 on or about November 30, 2007, and $51,244.33 on or about December 31, 2007. In fact, the true combined balance in Borrower 14's FCU accounts was $1,043.08 on or about November 30, 2007, and $1,244.33 on or about December 21, 2007, and Borrower 14's actual account statements were fraudulently altered to increase the balance by $50,000. In further support of the fraudulent loan application, defendant O'MALLEY, CC-4, and others, also created, caused to be

created, and submitted to American Partners a false and fraudulent document purporting to be a lease agreement between Borrower 14 and an acquaintance of CC-4, showing a lease amount of $2,000 per month for Borrower 14's Hackensack condominium. In fact, Borrower 14's signature was cut-and-pasted onto the purported lease agreement and no lease in fact existed between Borrower 14 and the purported tenant. Based on the false and fraudulent loan application and supporting documentation, on or about March 14, 2008, American Partners approved a $417,000 mortgage loan to Borrower 14 and Borrower 14's spouse and, in furtherance of that loan, initiated an interstate wire transfer from Florida to New Jersey that included, among other sums, a YSP of approximately $5,669.80 to be paid to Residential Mortgage.

V. On or about June 6, 2008, American Partners was notified by a firm performing quality control services on its behalf that the FCU had reported that the account statements submitted in connection with Borrower 14's loan application had been altered and that the true balance in Borrower 14's account was substantially lower than the amount reflected on the altered statements. American Partners brought this information to the attention of defendant O'MALLEY and OLIMPIO. In an effort to lull American Partners and avoid detection of the fraudulent scheme, on or about July 13, 2008, defendants O'MALLEY and ARVELO, OLIMPIO, and others created and caused to be created a

letter from Individual 1, on behalf of the BCIA, falsely stating "that [Borrower 14] had a balance of $51,244 in [Borrower 14's] Bergen County Improvement Authority Credit Union Account as of December 31, 2007. We are not sure how the account statement provided to you was reflected as being available in [the FCU] Account, but we can confirm the funds were actually available and on deposit in [Borrower 14's] Bergen County Improvement Authority Credit union account." In fact, the BCIA does not maintain a credit union and Borrower 14 had no such account.

W. In or about February 2008, a borrower ("Borrower 15") and Borrower 15's spouse sought to obtain a mortgage loan to finance their purchase of a multi-family residence in East Rutherford, New Jersey. Defendants O'MALLEY and ARVELO, CC-4, and others prepared, caused to be prepared, and submitted to Chase on Borrower 15's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 15 was employed as the "Director" of the BCIA with a gross monthly income of $9,236. In support of this fraudulent loan application, on or about April 2, 2008, defendants O'MALLEY and ARVELO, CC-4, and others created, caused to be created, and submitted to Chase via interstate wire transmission from New Jersey to a server located in Wisconsin, a facsimile message containing a fraudulent VOE form, purportedly signed by Individual 1, falsely stating that Borrower 15 was employed by the BCIA as the "Director/

Administrator" of the "Equestrian Center" with a monthly gross base pay of $9,257.86. In fact, Borrower 15 was not employed by the BCIA. Based on the false and fraudulent loan application and supporting documentation, on or about April 18, 2008, Chase approved a $216,000 mortgage loan to Borrower 15 and Borrower 15's spouse and, in furtherance of that loan, initiated an interstate wire transfer from Ohio to New Jersey that included, among other sums, a YSP of $3,730.32 to be paid to Residential Mortgage.

X. In or about March 2008, a borrower ("Borrower 16") and Borrower 16's spouse sought to obtain a HELOC secured by their residence in Westwood, New Jersey. Defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others prepared, caused to be prepared, and submitted to Chase on Borrower 16's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 16 was employed by the BCIA as a "hospital doctor" with a gross monthly employment income of $15,950. In support of this fraudulent loan application, defendants O'MALLEY and ARVELO, OLIMPIO, FISCHBEIN, and others created, caused to be created, and submitted to Chase false and fraudulent Forms W-2 and a paystub purportedly issued to Borrower 16 by the BCIA. In fact, Borrower 16 was not employed by the BCIA and instead was self-employed as a chiropractor with a substantially lower income than the amount represented on the loan application and Forms W-2 and paystub.

Based on the false and fraudulent loan application and supporting documentation, on or about May 7, 2008, Chase approved a $47,370 HELOC to Borrower 16 and, in furtherance of that loan, initiated an interstate wire transfer from Ohio to New Jersey that included, among other sums, a YSP of $473.70 and a flat fee of $600 to be paid to Residential Mortgage.

Y. In or about April 2008, a borrower ("Borrower 17") and Borrower 17's spouse sought to obtain a HELOC secured by their residence in Fair Lawn, New Jersey. Defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others prepared, caused to be prepared, and submitted to Chase on Borrower 17's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 17 was employed by the BCIA with a gross monthly income of $9,166.66. In support of this fraudulent loan application, on or about April 30, 2008, defendants O'MALLEY and ARVELO, OLIMPIO, FISCHBEIN, and others created, caused to be created, and submitted to Chase via interstate wire transmission from New Jersey to a location outside of New Jersey, false and fraudulent Forms W-2 and a paystub purportedly issued to Borrower 17 by the BCIA. In fact, Borrower 17 was not employed by the BCIA, and was instead a part-time employee of another entity with a substantially lower employment income than that represented on the loan application, Forms W-2, and paystub. Based on the false and fraudulent loan application and supporting documentation, on

or about May 12, 2008, Chase approved a $250,000 HELOC to Borrower 17 and paid a flat fee of $850 and a YSP of $675 to Residential Mortgage.

Z. In or about August 2008, Borrower 17 and Borrower 17's spouse sought to obtain a mortgage loan to finance their purchase of a second property in Fair Lawn, New Jersey. Defendant O'MALLEY, CC-4, and others, prepared, caused to be prepared, and submitted to CitiMortgage on Borrower 17's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 17 was employed by the BCIA with a gross monthly employment income of $9,708. In support of this fraudulent loan application, defendants O'MALLEY and ARVELO, CC-4, and others, created, caused to be created, and submitted to CitiMortgage (i) a fraudulent VOE form that was purportedly signed by Individual 1 and that falsely stated, among other things, that Borrower 17 was employed by the BCIA with a monthly gross base pay of $9,708; and (ii) fraudulent Forms W-2 that falsely stated, among other things, that Borrower 17 received approximately $110,000 in wages from the BCIA in 2007 and approximately $106,700 in wages from the BCIA in 2006. In fact, Borrower 17 was at all times a part-time employee of another entity with a substantially lower employment income than that represented on the loan application, VOE form, and Forms W-2. Based on the false and fraudulent loan application and supporting

documentation, on or about December 12, 2008, CitiMortgage approved a $150,000 mortgage loan to Borrower 17 and, in furtherance of that loan, initiated an interstate wire transfer from New York to New Jersey that included, among other sums, a YSP of approximately $1,918.50 to be paid to Residential Mortgage.

AA. In or about June 2008, a borrower ("Borrower 18") and Borrower 18's spouse sought to obtain a mortgage loan refinancing property that they owned in Paramus, New Jersey, as well as a HELOC secured by that property in the amount of $150,000. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to Chase on Borrower 18's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 18 was employed by the BCIA as the "Equestrian Director" with a gross monthly income of $8,725.06. In support of this fraudulent loan application, defendants O'MALLEY and ARVELO, CC-4, OLIMPIO and others created, caused to be created, and submitted to Chase false and fraudulent Forms W-2 and a paystub purportedly issued by the BCIA to Borrower 18. In fact, Borrower 18 was not employed by the BCIA. Based on the false and fraudulent loan application and supporting documentation, on or about July 15, 2008, Chase approved a $200,000 mortgage loan and $150,000 HELOC to Borrower 18 and, in furtherance of those loans, initiated (i) an interstate wire

transfer from Ohio to New Jersey that included, among other sums, a YSP of $1,088 to be paid to Residential Mortgage; and (ii) a second interstate wire transfer from Ohio to New Jersey that included, among other sums, a YSP of $1,000 and additional flat fee of $1,000 to be paid to Residential Mortgage.

BB. In or about June 2008, a borrower ("Borrower 19") and Borrower 19's spouse sought to obtain a mortgage loan to finance their purchase of a residence in River Vale, New Jersey. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to Chase on Borrower 19's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 19 had assets totaling $24,748.22 held in three separate accounts at HSBC Bank ("HSBC"). In support of this fraudulent loan application, defendant O'MALLEY, CC-4, and others created, caused to be created, and submitted to Chase a fraudulent bank statement purporting to show that on or about July 23, 2008, the balance in one of the three HSBC accounts was $9,227.22. In fact, the actual balance on or about that date was approximately $6,227.22, and the fraudulent bank statement was created by altering Borrower 19's actual bank statement to show a higher account balance. Defendant O'MALLEY, CC-4, and others also created, caused to be created, and submitted to Chase additional, fraudulent account statements purporting to show that Borrower 19 had reserve assets of $15,175.59, held in an account

at Vanguard, and $18,666.48, held in an account at Fidelity Investments. In fact, both the Vanguard and the Fidelity Investments statements belonged to CC-4, and were fraudulently altered by CC-4 to show Borrower 19's name and home address. Based on the false and fraudulent loan application and supporting documentation, on July 30, 2008, Chase approved a $650,000 mortgage loan to Borrower 19 and Borrower 19's spouse and, in furtherance of that loan, initiated an interstate wire transfer from Ohio to New Jersey that included, among other sums, a YSP of approximately $8,014.50 to be paid to Residential Mortgage.

CC. In or about October 2008, a borrower ("Borrower 20") and another individual sought to obtain a mortgage loan to finance their purchase of a condominium property located in Cliffside Park, New Jersey. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to CitiMortgage on Borrower 20's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 20 was employed by the BCIA as a "Special Police Officer" with a gross monthly employment income of $8,425. In support of this fraudulent loan application, defendants O'MALLEY and ARVELO, CC-4, and others, created, caused to be created, and submitted to CitiMortgage a false and fraudulent paystub purportedly issued to Borrower 20 by Bergen County. In fact, Borrower 20 was not employed by the BCIA. Moreover, while Borrower 20 was employed by another Bergen

County agency, Borrower 20's actual income was substantially lower than the amount reflected on the false and fraudulent paystub. Based on the false and fraudulent loan application and supporting documentation, on or about November 26, 2008, CitiMortgage approved a $340,000 mortgage loan to Borrower 20 and, in furtherance of that loan, initiated an interstate wire transfer from Missouri to New Jersey that included, among other sums, a loan discount fee of $4,250 and YSP of approximately $741.20 to be paid to Residential Mortgage.

DD. In or about October 2008, a borrower ("Borrower 21") and Borrower 21's spouse sought to obtain a mortgage loan to finance their purchase of a residence in Paramus, New Jersey. Defendant O'MALLEY, CC-4, and others prepared, caused to be prepared, and submitted to Chase on Borrower 21's behalf, a loan application that listed, among other assets, approximately $16,530 held in a retirement account associated with Borrower 21's employment by a Bergen County municipality. On or about November 24, 2008, the date scheduled for the closing of the loan, a Chase representative sent an e-mail to OLIMPIO indicating that, in order to approve the loan, Chase required an explanation of the "[t]erms under which borrower can access [the borrower's] funds in the [retirement] acct with [the municipality] (without this [the borrowers] are short the required reserves)." In response to this requirement, defendant O'MALLEY and OLIMPIO

prepared, caused to be prepared, and submitted to Individual 1 for his signature, a letter from Individual 1 purporting to explain the terms of Borrower 21's retirement account. The letter falsely suggested that the BCIA was involved in the administration of Borrower 21's retirement account by providing a description of the particular type of retirement account generally and, following that description, falsely stating: "The BCIA is the financial arm of the County of Bergen that administrators [sic] and coordinates financial matters for municipalities for the County of Bergen." On or about November 24, 2008, Individual 1 caused the letter to be printed on BCIA letterhead, signed the letter, and caused the signed letter to be sent by fax to defendant O'MALLEY at Residential Mortgage so that defendant O'MALLEY could submit the letter to Chase.

EE. In or about April 2009, a borrower ("Borrower 22") and Borrower 22's spouse sought to obtain a mortgage loan to finance their purchase of a residence in Paramus, New Jersey. Defendant O'MALLEY, OLIMPIO, FISCHBEIN, and others prepared, caused to be prepared, and submitted to HCSB on Borrower 22's behalf, a fraudulent loan application that falsely stated, among other things, that Borrower 22 was employed by the BCIA as an "Administrator" with a gross monthly employment income of $4,112.92. In support of this fraudulent loan application, (i) defendants O'MALLEY and ARVELO, OLIMPIO, FISCHBEIN, and others

created, caused to be created, and submitted to HCSB a false and fraudulent paystub purportedly issued by the BCIA to Borrower 22; and (ii) Individual 1 signed a fraudulent VOE form falsely stating that Borrower 22 was employed by the BCIA. In fact, Borrower 22 was not employed by the BCIA and had a substantially lower income than the amount provided on the application. Based on the false and fraudulent loan application and supporting documentation and information, on or about June 15, 2009, HCSB approved a $329,000 mortgage loan to Borrower 22 and paid a YSP of $3,290 to Residential Mortgage.

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

COUNTS 2 - 26
WIRE FRAUD

1. Paragraphs 1 and 5 of Count 1 of this Indictment are hereby realleged and incorporated as if set forth in full herein.

2. From in or about June 2006 to in or about June 2009, in Bergen County, in the District of New Jersey and elsewhere, the defendants set forth below and others knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud the Lenders and to obtain money from the Lenders by means of materially false and fraudulent pretenses, representations, and promises.

3. The object of this scheme and artifice to defraud was for the defendants set forth below and others to submit materially false and fraudulent mortgage and other loan applications and supporting documents to the Lenders in order to fraudulently cause the Lenders to fund mortgage and other loans to borrowers, as well as fees paid to Residential Mortgage that were calculated on the basis of those loans, via wire communications in interstate commerce.

4. On or about the dates set forth below, in Bergen County, in the District of New Jersey and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, the defendants set forth below knowingly and intentionally did

transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals and sounds, as described below:

COUNT	DEFENDANT(S)	DATE	INTERSTATE WIRE TRANSMISSION	BORROWER
2	RONALD J. O'MALLEY	7/26/06	Wire transfer of funds	Borrower 1
3	RONALD J. O'MALLEY	10/18/06	Fax containing closing documents	Borrower 2
4	RONALD J. O'MALLEY	5/31/07	Wire transfer of funds	Borrower 2
5	RONALD J. O'MALLEY	12/5/06	Wire transfer of funds	Borrower 3
6	RONALD J. O'MALLEY LAURA-JEAN ARVELO	6/28/07	Wire transfer of funds	Borrower 3
7	RONALD J. O'MALLEY	12/21/06	Wire transfer of funds	Borrower 4
8	RONALD J. O'MALLEY LAURA-JEAN ARVELO	2/13/08	Wire transfer of funds	Borrower 4
9	RONALD J. O'MALLEY LAURA-JEAN ARVELO	4/17/07	Wire transfer of funds	Borrower 5
10	RONALD J. O'MALLEY LAURA-JEAN ARVELO	2/1/08	Wire transfer of funds	Borrower 5
11	RONALD J. O'MALLEY	3/9/07	Wire transfer of funds	Borrower 6
12	RONALD J. O'MALLEY	4/23/07	Wire transfer of funds	Borrower 7
13	RONALD J. O'MALLEY	5/8/07	Wire transfer of funds	Borrower 8
14	RONALD J. O'MALLEY LAURA-JEAN ARVELO	7/20/07	Wire transfer of funds	Borrower 9

15	RONALD J. O'MALLEY	11/26/07	Wire transfer of funds	Borrower 12
16	RONALD J. O'MALLEY LAURA-JEAN ARVELO	12/3/07	Wire transfer of funds	Borrower 12
17	RONALD J. O'MALLEY	12/4/07	Wire transfer of funds	Borrower 13
18	RONALD J. O'MALLEY LAURA-JEAN ARVELO	3/14/08	Wire transfer of funds	Borrower 14
19	RONALD J. O'MALLEY LAURA-JEAN ARVELO	4/2/08	Fax containing fraudulent VOE form	Borrower 15
20	RONALD J. O'MALLEY LAURA-JEAN ARVELO	4/18/08	Wire transfer of funds	Borrower 15
21	RONALD J. O'MALLEY LAURA-JEAN ARVELO	5/7/08	Wire transfer of funds	Borrower 16
22	RONALD J. O'MALLEY LAURA-JEAN ARVELO	4/30/08	Electronic submission of fraudulent paystub and Forms W-2	Borrower 17
23	RONALD J. O'MALLEY LAURA-JEAN ARVELO	12/12/08	Wire transfer of funds	Borrower 17
24	RONALD J. O'MALLEY LAURA-JEAN ARVELO	7/15/08	Wire transfers of funds	Borrower 18
25	RONALD J. O'MALLEY	7/30/08	Wire transfer of funds	Borrower 19
26	RONALD J. O'MALLEY LAURA-JEAN ARVELO	11/26/08	Wire transfer of funds	Borrower 20

In violation of Title 18, United States Code, Section 1343 and Section 2.

COUNTS 27 - 47
BANK FRAUD

1. Paragraphs 1 and 5 of Count 1 of this Indictment are hereby realleged and incorporated as if set forth in full herein.

2. In or about the dates set forth below, the defendants set forth below did knowingly and intentionally execute and attempt to execute a scheme and artifice to defraud financial institutions, and to obtain money, funds, assets and other property owned by, and under the custody and control of, financial institutions, by means of materially false and fraudulent pretenses, representations and promises, as described below:

COUNT	DATE	DEFENDANT(S)	BORROWER	FINANCIAL INSTITUTION
27	October 2006	RONALD J. O'MALLEY	Borrower 2	American Partners
28	May 2007	RONALD J. O'MALLEY	Borrower 2	American Partners
29	November 2006 to December 2006	RONALD J. O'MALLEY	Borrower 3	American Partners
30	January 2008 to February 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 4	Chase
31	January 2007 to April 2007	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 5	American Partners
32	November 2007 to February 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 5	Chase
33	February 2007 to March 2007	RONALD J. O'MALLEY	Borrower 6	American Partners

34	March 2007 to April 2007	RONALD J. O'MALLEY	Borrower 7	American Partners
35	February 2007 to May 2007	RONALD J. O'MALLEY	Borrower 8	American Partners
36	June 2007 to August 2007	RONALD J. O'MALLEY	Borrower 10	American Partners
37	September 2007 to October 2007	RONALD J. O'MALLEY	Borrower 11	Citibank
38	October 2007 to November 2007	RONALD J. O'MALLEY	Borrower 12	Chase
39	October 2007 to December 2007	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 12	American Partners
40	November 2007 to December 2007	RONALD J. O'MALLEY	Borrower 13	Chase
41	February 2008 to July 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 14	American Partners
42	February 2008 to April 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 15	Chase
43	March 2008 to May 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 16	Chase
44	April 2008 to May 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 17	Chase
45	June 2008 to July 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 18	Chase
46	June 2008 to July 2008	RONALD J. O'MALLEY	Borrower 19	Chase
47	April 2009 to June 2009	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 22	HCSB

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

COUNTS 48 - 68
LOAN APPLICATION FRAUD

1. Paragraphs 1 and 5 of Count 1 of this Indictment are hereby realleged and incorporated as if set forth in full herein.

2. In or about the dates set forth below, the defendants set forth below did knowingly make false statements and reports for the purpose of influencing the actions of the Financial Institution Lenders upon the loan and credit applications for the Borrowers set forth below:

COUNT	DATE(S)	DEFENDANT(S)	BORROWER	LENDER	FALSE INFORMATION
48	October 2006	RONALD J. O'MALLEY	Borrower 2	American Partners	Employer; employment income
49	May 2007	RONALD J. O'MALLEY	Borrower 2	American Partners	Employer; employment income
50	November 2006 to December 2006	RONALD J. O'MALLEY	Borrower 3	American Partners	Employer; employment income; assets
51	January 2008 to February 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 4	Chase	Employer; employment income
52	January 2007 to April 2007	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 5	American Partners	Employer; employment income; location of primary residence; ownership of other property

53	November 2007 to February 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 5	Chase	Employer; employment income; ownership of other property
54	February 2007 to March 2007	RONALD J. O'MALLEY	Borrower 6	American Partners	Employment income; assets
55	March 2007 to April 2007	RONALD J. O'MALLEY	Borrower 7	American Partners	Assets
56	February 2007 to May 2007	RONALD J. O'MALLEY	Borrower 8	American Partners	Location of primary residence; nature of employment; employment income; assets
57	June 2007 to August 2007	RONALD J. O'MALLEY	Borrower 10	American Partners	Employment; employment income; assets
58	September 2007 to October 2007	RONALD J. O'MALLEY	Borrower 11	Citibank	Assets
59	October 2007 to November 2007	RONALD J. O'MALLEY	Borrower 12	Chase	Employment income
60	November 2007 to December 2007	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 12	American Partners	Employment; assets
61	November 2007 to December 2007	RONALD J. O'MALLEY	Borrower 13	Chase	Employment; employment income; assets

62	February 2008 to July 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 14	American Partners	Assets; rental income
63	February 2008 to April 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 15	Chase	Employer; employment income
64	March 2008 to May 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 16	Chase	Employer; employment income
65	April 2008 to May 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 17	Chase	Employer; employment income
66	June 2008 to July 2008	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 18	Chase	Employer; employment income
67	June 2008 to July 2008	RONALD J. O'MALLEY	Borrower 19	Chase	Assets; reserves
68	April 2009 to June 2009	RONALD J. O'MALLEY LAURA-JEAN ARVELO	Borrower 22	HCSB	Employer; employment income

In violation of Title 18, United States Code, Section 1014 and Section 2.

A TRUE BILL

Paul J. Fishman

PAUL J. FISHMAN
United States Attorney

CASE NUMBER: 10-CR 578 (DMC)

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

RONALD J. O'MALLEY and
LAURA-JEAN ARVELO

INDICTMENT FOR

18 U.S.C. §§ 1014, 1343, 1344,
1349 & § 2

A True Bill,

Foreperson

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(Ed. 1/97)