

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
402 East State Street, Room 430
Trenton, New Jersey 08608



Christopher J. Christie, U.S. Attorney

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Assistant U.S. Attorneys
ERIC M. SCHWEIKER
609-989-0566
JOSHUA DREW
856-968-4925

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FOR IMMEDIATE RELEASE
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Dentist Convicted in Scheme to Obtain \$1.36 Million
by Defrauding Mortgage Lenders

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Greg Reinert, PAO
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TRENTON – A Staten Island, N.Y., dentist was convicted by a federal jury today for operating a scheme in which he fraudulently obtained \$1.36 million in mortgages and spent the proceeds on luxury items including the purchase of a 46-foot yacht, a North Carolina residence and a GMC Yukon Denali, U.S. Attorney Christopher J. Christie announced.

After less than two hours of deliberations today, a jury convicted Terrance D. Stradford, 46, a.k.a. “Wayne Sellers,” of all 24 counts contained in a Superseding Indictment. Stradford was convicted on one count each of conspiracy to commit wire fraud, conspiracy to commit money laundering and tax evasion. Stradford was also convicted of three counts of wire fraud and 18 counts of money laundering. Stradford also consented to the entry of a criminal forfeiture order in the amount of \$720,000, which the government sought as property derived from proceeds of the scheme.

The case was tried by Assistant U.S. Attorneys Eric M. Schweiker and Joshua Drew.

During the trial, the jury heard the testimony of more than twenty witnesses and viewed hundreds of pieces of evidence regarding the scheme operated by Stradford. The jury heard how Stradford and others used fraudulent documents, made false statements, and established fictitious companies and opened back accounts in various company names to fraudulently obtain mortgages secured by a property at 412-414 Commerce Lane in Berlin Township (the “Commerce Lane property”). Sentencing is scheduled for January 4, 2008.

At the trial, the Government presented evidence that in October 1999, Stradford formed a limited liability company called 412-414 Commerce Lane, LLC (“412-414 LLC”). In December 1999, Stradford, acting through 412-414 LLC, purchased the Commerce Lane property for \$337,500 with a first mortgage in the amount of \$310,000 held by American Business Credit Inc. (the “ABC Mortgage”). In September 2002, Stradford encumbered the Commerce Lane property with a second mortgage in the amount of \$244,756 (the “M.W. Mortgage”).

The evidence presented to the jury showed that in June 2004, Stradford used the Commerce Lane property as collateral for a \$500,000 mortgage loan from Quantum Corporate Funding, Ltd., (“Quantum”). In obtaining the loan, Stradford provided fraudulent documents to Quantum, including income tax returns containing a fake social security number and a commitment for title insurance which falsely indicated that there were no current mortgages on the Commerce Lane property. According to the Indictment, Stradford and Christina Hachadoorian, 35, of Willingboro, spent the proceeds of the Quantum loan on themselves, which included the June 2004 purchase of a 1998 Maxum 46' yacht using the aliases “Wayne Sellers” and “Christian Hachadoorian.” Hachadoorian previously pleaded guilty to conspiracy to commit money laundering and testified as a Government witness at the trial.

In furtherance of the scheme, the defendants created a fictitious title company named Burlington Title Agency, LLC, and opened bank accounts in the names of Burlington Title Agency, LLC, A.B.C., LLC and Commonwealth Medical Supply, LLC, in July 2004.

In August 2004, Stradford used the Commerce Lane property as collateral for a \$585,000 mortgage loan from Eastern Savings Bank (the "Eastern loan"). The proceeds of the loan were purportedly to be used for the refinancing of the ABC mortgage and the purchase of medical equipment from Commonwealth Medical Supply. The jury found that the defendants provided fraudulent documents to Eastern Savings Bank, including title insurance commitment documents purportedly from Burlington Title Agency that falsely indicated the only mortgage on the Commerce Lane property was a mortgage held by American Business Company, when in fact, American Business Credit, Inc., was the actual issuer of the ABC mortgage and both the ABC mortgage and the M.W. mortgage remained as liens on the Commerce Lane property.

At closing, Eastern Savings Bank disbursed the loan proceeds to accounts in the names of Burlington Title Agency, LLC, A.B.C., LLC, and Commonwealth Medical Supply, LLC, which unbeknownst to Eastern Savings Bank, were controlled by the defendants. The jury found the defendants spent the proceeds of the Eastern loan on themselves, including the August 2004 cash purchase of a \$640,000 waterfront property in Belmont, N.C.

In September 2004, the defendants repeated the scheme to obtain a \$275,000 mortgage loan from Asset Funding Group, LLC. At closing, the loan proceeds were wire-transferred into the Burlington Title Agency account. The defendants spent the funds on themselves, which included the purchase a 2005 GMC Yukon Denali.

Count One, which charges conspiracy to commit wire fraud, carries a maximum statutory sentence of 5 years in prison and a fine of up to \$250,000. Counts Two through Four, charging wire fraud, each carry a maximum penalty of 20 years in prison and a fine of up to \$250,000. Count Five, charging conspiracy to commit money laundering, carries a maximum penalty of 10 years in prison and a fine of up to \$250,000. Counts Six through 23, charging money laundering, each carry a maximum penalty of 10 years in prison and a fine of up to \$250,000. Count 24, which charges tax evasion, carries a maximum penalty of 5 years in prison and a fine of \$100,000.

In determining an actual sentence, U.S. District Judge Freda L. Wolfson will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Judge Wolfson scheduled Stradford's sentencing for January 4, 2008. Christina Hachadoorian's sentencing is scheduled for November 16, 2008. The sentencing of co-defendant Michelle Martinez, who entered a guilty plea prior to trial to one count of making false statements to federal law enforcement officers, is scheduled for November 2, 2007.

Christie credited Special Agents of the FBI Cherry Hill Resident Agency, under the direction of Special Agent in Charge J.P. Weis in Philadelphia, and the IRS – Criminal Investigations office in Freehold, New Jersey, under the direction of Special Agent in Charge William Offord, for investigation of the case.

The government is represented by Assistant U.S. Attorneys Eric M. Schweiker and Joshua Drew, of the U.S. Attorney's Office's Criminal Divisions in Trenton and Camden, respectively.

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Defense Attorney: Ralph Jacobs, Esq., Haddonfield