

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

UNITED STATES OF AMERICA : CRIMINAL NO.

v. : DATE FILED:

EDWARD MAIER, JR. : VIOLATIONS:18 U.S.C. §1010 (HUD
a/k/a/ "Eddie Maier" : Fraud) 3 Counts; 18 U.S.C. §1344
(Bank Fraud) 5 Counts; 18 U.S.C. §2
(Aiding and Abetting)

INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times relevant to this Information:

THE DEFENDANT

1. Defendant EDWARD MAIER, JR. (also known as "Eddie Maier") was engaged in the business of real estate and selling insurance, and did business as "Keystone Insurance Company" and "Edward Maier Properties". Both businesses were located at 600 East Godfrey Avenue in Philadelphia, PA.

HUD AND FHA MORTGAGES

2. The Department of Housing and Urban Development ("HUD") was a department of the United States government that administered the Single Family Mortgage Insurance Program (the "Program"), which encouraged private lenders to provide home mortgages to home buyers who might not otherwise qualify for home mortgages.

3. The Federal Housing Administration (“FHA”) was the organizational unit within HUD that administered HUD’s Mortgage Insurance Program.

4. Under the Program, HUD, through the FHA, insured home mortgages that private lenders (hereinafter “Lenders”) provided to borrowers, thereby protecting the Lenders from any loss in the event that the borrower defaulted on the mortgage. If a homeowner defaulted on monthly payments on an FHA-insured mortgage and the Lender foreclosed on the property, HUD paid the Lender the balance of the mortgage and assumed ownership of the property. In short, the taxpayers, through HUD, assumed the financial risk of a mortgage default by the home buyer.

5. Under the Program, a home buyer who received an FHA-insured mortgage had to make a down payment as the home buyer’s cash investment in the property. The home buyer could receive a gift of that down payment from an acceptable source, such as a relative, an employer, or a charitable organization; however, the donor of such a gift could not be a person or entity with an interest in the sale of the property, such as the seller, and the donor could not be repaid the price of the gift.

6. HUD/FHA maintained a direct endorsement program that provided some Lenders with the authority to close and underwrite HUD/FHA insured mortgages before final acceptance by HUD/FHA. HUD required those qualified Lenders, after disbursement of loan funds at closing, to forward loan package documents to HUD/FHA. These documents included the “HUD/FHA Application for Commitment of Insurance

under the National Housing Act” (the “HUD/FHA Application”) for a HUD/FHA insured mortgage, a completed “Request for Verification of Employment,” a credit report on the borrower, and the Settlement Statement (form HUD-1) from the closing on the property purchased by the applicant.

7. After HUD/FHA reviewed all of the required documentation received from the Lender, HUD/FHA issued a “Mortgage Insurance Certificate” (hereinafter referred to as the “MIC”) to the Lender. The MIC was HUD/FHA’s agreement to insure the Lender’s mortgage.

COUNTS ONE THROUGH THREE

At all times material to this Information:

8. Maryland National Corporation Mortgage Company (hereinafter “MNC”), a wholly owned subsidiary of First Tennessee Bank, was a financial institution with an office located at 600 Louis Drive, Suite 204, Warminster, PA. The deposits of First Tennessee Bank and its subsidiaries were insured by the Federal Deposit Insurance Corporation, certificate no. 49778.

9. From in or about 1998 until in or about the end of 2000, defendant EDWARD MAIER, JR. bought properties mainly in the Northeast section of Philadelphia, and resold these properties to individuals (hereinafter “the buyers”) who received, through defendant EDWARD MAIER, JR.’S assistance, FHA-insured home mortgages.

10. Defendant EDWARD MAIER, JR. obtained from the buyers all the necessary financial information to obtain the FHA-insured home mortgages from MNC.

11. From in or about January, 1998 until in or about the end of 2000, defendant EDWARD MAIER, JR., together with persons known and unknown to the United States Attorney, falsified documents, such as gift letters, W-2 forms and letters of credit for the purpose of obtaining FHA-insured home mortgages for the buyers from MNC.

12. Defendant EDWARD MAIER, JR. created false gift letters that stated that the buyers received gift funds from another person, when in fact, defendant EDWARD MAIER, JR. provided the gift funds at settlement by way of certified check or money order.

13. After receiving genuine W-2's from the buyers, defendant EDWARD MAIER, JR. created false W-2's which represented that the buyers made an income greater than the income documented by the genuine W-2's defendant EDWARD MAIER, JR. received from the buyers.

14. The defendant EDWARD MAIER, JR. included the falsified gift letters, W-2 forms and letters of credit in the loan package that was sent to MNC for approval for the FHA-insured home mortgages for the buyers.

15. From in or about January, 1998 until in or about the end of 2000, defendant EDWARD MAIER, JR. sold approximately 64 properties resulting in

approximately \$2,733,950 in FHA-insured home mortgages from MNC.

16. On or about the following dates, in the Eastern District of Pennsylvania,
defendant

EDWARD MAIER, JR.,
a/k/a "Eddie Maier"

for the purpose of obtaining a mortgage insured by, and intending to influence the action of HUD, made, passed, uttered, and published, and aided, abetted, and caused the making, passing, uttering, and publishing of, the following statements, knowing the same to be false:

COUNT	DATE	THE FALSE WRITTEN STATEMENT
ONE	May 19, 1999	A HUD-1 Settlement Statement relating to defendant EDWARD MAIER, JR.'S sale of a home located at 5343 Darrah Street, Philadelphia, PA to S.C., which falsely represented that S.C. received a \$2,500 gift from B.C.

TWO	October 15, 1999	A HUD-1 Settlement Statement relating to defendant EDWARD MAIER, JR.'S sale of a home located at 3468 Braddock Street, Philadelphia, PA to D.R. which falsely represented that D.R. received a \$2,200 gift from A.R.
THREE	September 18, 1998	A HUD-1 Settlement Statement relating to defendant EDWARD MAIER, JR.'S sale of a home located at 10010 Bridle Avenue, Philadelphia, PA to A.O. which falsely represented that A.O. received a \$4,200 gift from S.G.

All in violation of Title 18, United States Code, Sections 1010 and 2.

COUNTS FOUR THROUGH SIX

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 15 Counts One through Three are incorporated herein.
2. On or about the following dates, in the Eastern District of Pennsylvania, defendant

EDWARD MAIER, JR.,
a/k/a "Eddie Maier"

knowingly executed and attempted to execute a scheme to defraud MNC and to obtain monies owned by and under the care, custody, and control of MNC by means of false and fraudulent pretenses, representations, and promises as follows:

COUNT	DATE	THE FALSE WRITTEN STATEMENT
FOUR	August 13, 1999	W-2 forms submitted to MNC for the years 1997 and 1998 which falsely represented that A.B. made \$8,361.42 and \$8,529.18, respectively, for those tax years, when, in fact, A.B. made \$0 and \$2082.74, respectively, for tax years 1997 and 1998.

FIVE	October 29, 1999	W-2 forms submitted to MNC for the years 1997 and 1998 which falsely represented that S.D. made \$20,500 and \$23,400, respectively, for those tax years, when, in fact, S.D. made \$4,691.49 and \$2676.75, respectively, for tax years 1997 and 1998.
SIX	August 13, 1999	W-2 forms submitted to MNC for the years 1997 and 1998 which falsely represented that E.W. made \$15,223.81 and \$17,683.21, respectively, for those tax years, when, in fact, E.W. made \$1,513.83 and \$1724.77, respectively, for tax years 1997 and 1998.

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

COUNTS SEVEN AND EIGHT

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraph 8 of Counts One through Three is incorporated herein.
2. In April, 2000, defendant EDWARD MAIER, JR. , completed an application for a conventional mortgage from MNC in order to purchase a home for himself located at 100 Danby Court, Churchville, PA.
3. As part of the loan application, MNC required defendant EDWARD MAIER, JR. to provide W-2 forms for the past two years in order for MNC to determine whether he qualified for the mortgage he was seeking.
4. On or about April 7, 2000, in the Eastern District of Pennsylvania, the defendant

EDWARD MAIER, JR.
a/k/a "Eddie Maier"

knowingly executed a scheme to defraud MNC and to obtain monies owned by and under the care, custody and control of MNC by means of false and fraudulent pretenses, representations and promises as follows:

COUNT	THE FALSE WRITTEN STATEMENT
SEVEN	A W-2 form for tax year 1998 which falsely represented that defendant, EDWARD MAIER, JR., made an income of \$91,000 for that tax year when, in fact, defendant EDWARD MAIER, JR. made \$31,200 for tax year 1998.
EIGHT	A W-2 form for tax year 1999 which falsely represented that defendant, EDWARD MAIER, JR., made an income of \$98,280 for that tax year when, in fact, defendant EDWARD MAIER, JR. made \$31,800 for tax year 1999.

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

PATRICK L. MEEHAN
United States Attorney