

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 11-60145-CR-WPD
18 U.S.C. §1349

MAGISTRATE JUDGE
SNOW

UNITED STATES OF AMERICA,

Plaintiff,

v.

LOUIS GENDASON,
KIMBERLY MACKEY,
JOHN INCANDELA, and
MARCOS ECHEVARRIA

Defendants.

STEVEN H. LAGIMODIE
CLERK U.S. DISTRICT CT.
S.D. OF FLA.

2011 JUN 20 PM 4:01

FILED BY _____ D.C.

INFORMATION

The United States Attorney charges:

General Allegations

At all times relevant to this Information:

1. Genworth Financial Home Equity Access, Inc. (hereinafter referred to as "Genworth"), is a "financial institution" as defined under Title 18, United States Code, Section 20(10) and a "mortgage lending business" as defined under Title 18, United States Code, Section 27. Genworth was a California Corporation with offices located at 10951 White Rock Road, Suite 200 Cordova, California.

2. First Continental Mortgage, Inc., (hereinafter referred to as "1st Continental") was a Maryland Corporation and had offices at 2691 Oakland Park Boulevard, #203, Fort Lauderdale, Florida, and at 951 Broken Sound Parkway, Suite 200, Boca Raton, Florida.

3. 1st Continental was a licensed correspondent lender in the State of Florida. As a correspondent lender 1st Continental was a financial institution approved by HUD for the purpose of originating Title I Direct Loans for sale or transfer to a sponsoring lending institution.

4. REO Land Services, Inc.(hereinafter referred to as "REO"), was a Pennsylvania corporation with offices located at 429 Forbes Avenue, Suite 1201, Pittsburgh, Pennsylvania and acted as a real estate title agency. On or about November 6, 2006, Defendant KIMBERLY MACKEY ("MACKEY") incorporated REO in the State of Pennsylvania. MACKEY was a licensed title agent in approximately 30 states, including the State of Florida.

5. Lower My Debts.com, LLC. (hereinafter referred to as "Lower My Debts"), was a Florida limited liability company with an office located at 951 Broken Sound Parkway, Suite 200, Boca Raton, Florida. Lower My Debts operated as a loan modification company.

6. Defendant LOUIS GENDASON ("GENDASON") operated 1st Continental offices at 951 Broken Sound Parkway, Suite 200, Boca Raton, Florida and 2691 Oakland Park Boulevard, #203, Fort Lauderdale, Florida. GENDASON operated these offices under 1st Continental's correspondent lender's license.

7. Defendant JOHN INCANDELA ("INCANDELA") was employed at the 1st Continental offices located at 2691 Oakland Park Boulevard, #203, Fort Lauderdale, Florida and 951 Broken Sound Parkway, Suite 200, Boca Raton, Florida.

8. INCANDELA was listed in the State of Florida incorporation papers of Lower My Debts, LLC as the company's principal officer.

9. Defendant MARCOS ECHEVARRIA ("ECHEVARRIA") was employed at 1st Continental offices located at 2691 Oakland Park Boulevard, #203, Fort Lauderdale, Florida and 951 Broken Sound Parkway, Suite 200, Boca Raton, Florida.

10. The United States Department of Housing and Urban Development (hereinafter described as "HUD") is a Department of the United States Government.

11. The Federal Housing Administration ("FHA") is an agency of the United States Department of Housing and Urban Development. FHA granted to Genworth, Direct Endorsement Authority for FHA-insured loans. Under FHA's Direct Endorsement Authority program, Genworth made the initial eligibility determination for an FHA-insured loan; Genworth then submitted the loan package, including all documentation supporting its eligibility determination, to HUD for final approval.

12. In 1987, the FHA set up a reverse mortgage insurance backed loan program known as the Home Equity Conversion Mortgage Program Section 255 (hereinafter referred to as "HECM"), which allowed borrowers, who were at least 62 years of age, to convert the equity in their homes into a monthly stream of income, or a line of credit. A reverse mortgage can provide a valuable financing alternative for qualified homeowners, who own the property outright or have a small mortgage balance still owed; occupy the property as their primary residence; are not delinquent on any federal debt; and participate in a co-owner information session given by an approved HECM counselor.

13. Under the HECM program, the reverse mortgage amount is based on: (1) the age of the youngest borrower; (2) current interest rates; (3) the lesser of the appraised value or the HECM FHA mortgage limit or the sales price; and the mortgage insurance. The property requirements must meet FHA property standards and flood requirements; be a single family home or 1-4 unit home with one unit occupied by the borrower; a HUD approved condominium; a manufactured home that meets FHA requirements. The borrower retains ownership of the property.

14. Unlike the traditional mortgage loan-repayment scenario, where borrowers make monthly payments to a bank in satisfaction of their outstanding mortgage loan, in a reverse mortgage loan the bank purchases borrowers' equity and makes installment payments to the borrower.

15. The details of a HECM mortgage closing are reflected on a uniform settlement document called the "HUD-1." A HUD-1 is a form used by the settlement agent (also called the closing agent) to itemize all charges imposed on a borrower and seller for real estate transactions. It gives each party a complete list of their incoming and outgoing funds. Fees associated with the transaction but paid prior to closing are also included on the HUD-1 form. The Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. §§ 2601-2717, requires the HUD-1 form be used as the standard real estate settlement form in transactions in the United States which involve federally-related mortgage loans.

16 Real property closings are generally overseen by a closing or escrow "agent." A closing agent is an individual or company that oversees the consummation of a mortgage transaction at which the note and other legal documents are signed and the loan proceeds are disbursed. Title companies, attorneys, settlement agents and escrow agents can perform this service depending on the laws of the jurisdiction where the property is located. Closing agents are obligated to follow the lender closing instructions at the closings. Closing instructions are specific instructions prepared by a lender and/or underwriter to direct how a mortgage closing transaction is handled from start to finish.

17. Genworth approved loan applications and funded reverse mortgage loans on the following properties owned by the following individuals:

- a. 2571 Aragon Boulevard #412, Sunrise, FL 33322; owned by an individual identified as L.M.

b. 1549 Harrison Street, Gary, IN 46407; owned by an individual identified as Q.B.

c. 104 Heron Parkway, West Palm Beach, FL 33411; owned by married individuals identified as R.S. and R.S.

d. 8702 Vista del Boca Drive, Boca Raton, FL 33433; owned by married individuals identified as D.B. and P.B.

e. 20970 Old School Street, Bivalve, MD 21814; owned by married individuals identified as R.E. and T.E.

f. 4879 Highway #546, Eros, LA 71238; owned by an individual identified as C.E.

g. 19060 Hunting Club Road, Seminole, AL 36574; owned by an individual identified as S.C.

h. 461 Ridge Road, Birmingham, AL 35206; owned by an individual identified as L.H.

i. 6235 Blackstone Avenue, Baltimore, MD 21209; owned by married individuals identified as S.Z. and S.Z.

j. 1457 South San Joaquin, Stockton, CA 95206; owned by an individual identified as R.S.

k. 1585 West 30th Street, West Palm Beach, FL 33404; owned by an individual identified as B.B.

l. 3711 West Country Club Road, Philadelphia, PA 19131; owned by an individual identified as C.G.

m. 2541 Virginia Colony Avenue, LaPlace, LA 70068; owned by an individual identified as M.C.

n. 3009 Ferndale Avenue, Baltimore, MD 21207; owned by an individual identified as D.N.

18. A "short sale" is a sale of real estate in which the sale proceeds fall short of the balance owed on the property's loan to the mortgage lender. It often occurs when a borrower cannot pay the mortgage loan on his or her property, but the mortgage lender decides that selling the property at a moderate loss is better than pressing the borrower into foreclosure. Both the borrower and the mortgage lender consent to the short sale process, because it allows them to avoid foreclosure, which involves hefty fees for the mortgage lender and poorer credit report outcomes for the borrowers.

COUNT ONE - CONSPIRACY

19. The allegations set forth in paragraphs 1 through 18 of this Information are incorporated herein by reference as though fully set forth herein.

20. Beginning in or about May 2009, and continuing through on or about November 2010, in Broward County in the Southern District of Florida, and elsewhere, the defendants,

**LOUIS GENDASON,
KIMBERLY MACKEY,
JOHN INCANDELA and
MARCOS ECHEVARRIA,**

and others known and unknown to the United States Attorney, did knowingly and willfully combine, conspire, confederate, and agree to commit an offense against the United States of America, that is: to knowingly and willfully devise a scheme and artifice to defraud and for obtaining money and property from others by means of materially false and fraudulent pretenses, representations and

promises, and for the purpose of executing such scheme or artifice or attempting to do so, to transmit and cause to be transmitted by means of wire communication in interstate commerce, certain writings, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

OBJECT OF THE CONSPIRACY

The object of the conspiracy was as follows:

21. The defendants LOUIS GENDASON, KIMBERLY MACKEY, JOHN INCANDELA and MARCOS ECHEVARRIA sought to unlawfully enrich themselves by submitting, and causing to be submitted, materially false and fraudulent mortgage application packages to Genworth, thereby inducing the lender to fund HECM loans, commonly known as “reverse mortgages” on properties located in Broward County, Florida, and elsewhere, in the amount of \$2,572,813.19. It was a further part of the scheme that the defendants fraudulently and unlawfully diverted loan funds to themselves.

MANNER AND MEANS OF THE CONSPIRACY

22. The manner and means by which the defendants sought to accomplish the object of the conspiracy included the following:

23. At least as early as March 2009, and continuing through approximately November, 2010, defendants GENDASON, INCANDELA and ECHEVARRIA originated mortgage loans under a broker license issued to 1st Continental.

24. Defendants INCANDELA and ECHEVARRIA reported to and were supervised by defendant GENDASON.

25. Defendants INCANDELA and ECHEVARRIA, together with others known and unknown to the United States Attorney, participated in a telemarketing program through interstate telephone calls encouraging potential mortgage borrowers to apply for reverse mortgage loans insured by the FHA.

26. Upon the borrowers' completion of the reverse mortgage application, and returning them to the 1st Continental office, defendants INCANDELA and ECHEVARRIA hired the services of a real estate appraiser in the geographical area of the borrowers to appraise the borrowers' property.

27. The appraiser transmitted a copy of his or her appraisal report by electronic mail or facsimile to defendants INCANDELA and ECHEVARRIA.

28. Knowing that Genworth would not approve any application for a reverse mortgage loan if a borrower did not possess substantial equity value in his or her property, defendant GENDASON fraudulently altered these appraisal reports to reflect that the subject properties possessed a higher value than initially reported by the appraiser. These fraudulently altered appraisal reports were then submitted to Genworth as part of 1st Continental's reverse mortgage application packet.

29. 1st Continental submitted loan application packets to Genworth for review by electronic means. Loan documents, including appraisals, were submitted by 1st Continental using the e-mail address "preferredprocessing@gmail.com." Genworth received these documents by e-mail at the e-mail address "submissions@genworth.com."

30. After its review and approval of the reverse mortgage application packets, and altered appraisal reports, Genworth wired closing funds associated with loans on the properties above to REO and defendant MACKEY, as the designated title agent on those loans. These loan funds, totaling \$2,572,813.19, were wired by Electronic Funds Transfer ("EFT") between May 2009 and February 2010 from a Genworth bank account at Deutsche Bank in New York, NY ending in "3192," to REO escrow bank accounts at Citizens Bank in Pittsburgh, PA ending in "1032" and at PNC Bank in Pittsburgh, PA ending in "4294." Defendant MACKEY was the only person authorized to access REO's escrow bank accounts.

31. Because Genworth was refinancing existing secured debt on the properties (the old borrowers' mortgage), Genworth required that its loan proceeds be used to pay off all existing liens on each of the borrowers' properties. Any failure to pay off existing liens would relegate Genworth to a subordinate lien holder position.

32. Despite having a fiduciary obligation to do so, defendant MACKEY did not disburse loan proceeds in accordance with Genworth's instructions and as reflected on each of the HUD-1 settlement statements. Instead, defendant MACKEY knowingly and fraudulently diverted the Genworth loan proceeds to a Lower My Debts bank account at TD Bank in Boca Raton, FL with an account number ending in "4461." This bank account was opened on July 8, 2008 in the name of Lower My Debts.com, LLC., and the account was under the control of defendants INCANDELA and GENDASON. In each instance where Defendant MACKEY fraudulently diverted Genworth's loan proceeds to the Lower My Debts bank account, the borrowers' old loan balance was not paid as required and shown on the HUD-1 at Section "M", and Genworth's lien became subordinate.

33. At various times, a portion of the proceeds from the Genworth loans was to have been disbursed per Line 1604 of the HUD-1 settlement statement, to the borrower(s). Notwithstanding this instruction, defendant MACKEY fraudulently diverted these loan proceeds to the Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

34. Between May 2009 and March 2010, the sum of at least \$988,086.33 was wired through multiple transactions by defendant MACKEY via EFT to the Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461" controlled by defendants INCANDELA and GENDASON.

35. In an effort to hide each of these EFT transactions, defendant MACKEY created, or caused to be created, false HUD-1 settlement statements, which were subsequently submitted to

Genworth and HUD/FHA. Each of these HUD-1 settlement statements falsely reported that Genworth's loan proceeds had paid off the borrowers' prior loans.

36. Subsequent to the fraudulent closings on the refinance loans for the borrowers' properties, the defendants GENDASON, INCANDELA and ECHEVARRIA in some instances, negotiated with the borrowers' prior lenders for modifications to the mortgage loans. The prior lenders were not aware of the Genworth loans.

37. As part of loan modification negotiation, defendants GENDASON, INCANDELA, ECHEVARRIA and MACKEY on some occasions, created or caused to be created, fictitious purchase offers for some of the borrowers' properties. These offers were presented to the borrowers' prior lenders in the form of a "short sale" purchase agreement. In some instances, and in furtherance of their intent to hide the existence of the Genworth refinance loan from the borrowers' prior lenders, defendants GENDASON, INCANDELA, ECHEVARRIA and others unknown to the United States Attorney, made monthly mortgage payments to the borrowers' prior lenders to keep the old loans current.

38. When a prior lender accepted the short sale purchase price, the defendants GENDASON and MACKEY furthered the scheme by fraudulently creating the appearance of a purchase/sale transaction by creating, or causing to be created, fictitious HUD-1 settlement statements, and other documentation necessary to induce the prior lender(s) to relinquish liens in exchange for payment of a fraction of the outstanding loan balance.

39. At the consummation of the short sale transaction, the defendants unlawfully enriched themselves with the excess loan proceeds obtained from Genworth as the result of the underlying reverse mortgage refinance loan(s).

40. In other instances, where a short sale was not arranged with the borrowers' prior lender, the defendants unlawfully enriched themselves by keeping Genworth's loan proceeds, rather than paying off the prior lenders' lien.

41. Each of Genworth's refinance loans were procured by representations made by defendants GENDASON, INCANDELA and ECHEVARRIA, which were false and fraudulent in some material fashion.

42. Defendant MACKEY fraudulently closed each of Genworth's refinance loans by making representations to Genworth that were false in some material fashion.

43. The defendants, GENDASON, INCANDELA and ECHEVARRIA, under false and fraudulent pretenses, received more than \$54,000 in loan closing fees and mortgage broker fees in connection with these fraudulently procured loans.

44. Defendant MACKEY and her company REO, under false and fraudulent pretenses, received more than \$43,000 in settlement and title fees in connection with these fraudulently closed loans.

45. The aggregate dollar amount of all loans procured fraudulently by the defendants GENDASON, INCANDELA and ECHEVARRIA from Genworth was \$2,572,813.19.

OVERT ACTS

In furtherance of the conspiracy and to effect the object thereof, at least one of the following overt acts, among others, was committed by at least one of the conspirators in the Southern District of Florida and elsewhere:

46. **2571 ARAGON BOULEVARD #412, SUNRISE, FLORIDA**

A. In or about 2008, defendants ECHEVARRIA and GENDASON met with L.M. to discuss the possibility of modifying the terms of his then-existing mortgage loan with Bank of America.

B. In or about 2008, defendants ECHEVARRIA and GENDASON received from L.M. the sum of \$750.00 in exchange for the loan modification service.

C. In or about 2009, defendant GENDASON advised L.M. that he was unsuccessful in obtaining a loan modification on L.M.'s then-existing mortgage and suggested that L.M. should submit an application for a reverse mortgage through 1st Continental to Genworth; defendant GENDASON then introduced L.M. to defendant INCANDELA.

D. On or about October 9, 2009, defendant INCANDELA prepared a reverse mortgage loan application, which L.M. signed.

E. In or about October, 2009, defendant INCANDELA also promised that L.M. would receive a sum of cash at the closing of the loan, and that once L.M. received the reverse mortgage loan, he would not have to make any mortgage payments in the future.

F. On or about October 12, 2009, defendant INCANDELA hired a real estate appraisal specialist identified as L.J. to appraise the value of L.M.'s property in connection with the reverse mortgage loan application.

G. In or about October 2009, defendant INCANDELA instructed L.J. to complete the appraisal despite being told by L.J. that the property would not appraise for \$200,000 as defendant INCANDELA had requested, but that it would appraise below \$100,000.

H. On or about October 12, 2009, 1st Continental caused L.J. to submit to First Continental his completed written appraisal report for the property, which L.J. appraised at \$31,000.

I. On or about a date between October 12, 2009 and October 23, 2009, defendant GENDASON fraudulently changed the original appraisal report submitted by L.J. to represent that the property was worth \$275,000 instead of \$31,000.

J. On or about a date between October 12, 2009 and October 23, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent written appraisal report for the property.

K. On or about October 23, 2009, defendant MACKEY created a fraudulent HUD-1 for the 2571 Aragon Boulevard #412, Sunrise, FL property.

L. On or about October 26, 2009, defendant MACKEY wired the sum of \$123,068.45 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1032," to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

47. 1549 HARRISON STREET, GARY, INDIANA

A. In or about September 2009, defendant ECHEVARRIA contacted Q.B. by telephone and explained to Q.B. that he was contacting senior citizens to inform them about a government mortgage program.

B. In or about September 2009, defendant ECHEVARRIA hired a real estate appraisal specialist identified as N.M. to appraise Q.B's property.

C. In or about September, 2009, defendant ECHEVARRIA provided an estimated property value to N.M of approximately \$70,000.

D. On or about October 12, 2009, 1st Continental caused N.M. to submit to 1st Continental the completed written appraisal report for the property, which N.M. appraised at \$21,000.

E. On or about a date between September 21, 2009, and October 23, 2009, defendant GENDASON fraudulently changed the original appraisal report submitted by N.M. to represent that the property was worth \$91,000 instead of \$21,000.

F. On or about a date between September 21, 2009, and October 23, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent appraisal report for the property.

G. On or about October 23, 2009, defendant MACKEY created a fraudulent HUD-1 for the 1549 Harrison Street, Gary, IN property.

H. On or about October 23, 2009, defendant MACKEY wired the sum of \$19,000 from an REO escrow account at Citizens Bank in Pittsburgh, PA ending in "1032," to the Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

I. After the Genworth refinance loan closed on October 23, 2009, the defendants GENDASON and INCANDELA made or caused to be made, approximately nine (9) payments to Q.B.'s prior lender, Bank of America.

48. 104 HERON PARKWAY, WEST PALM BEACH, FLORIDA

A. In or about early 2010, R.S. was referred to defendant ECHEVARRIA for assistance in modifying the terms of R.S.'s mortgage loan with Bank of America.

B. In or about February 2010, defendant ECHEVARRIA was unsuccessful in obtaining a modification of R.S.'s mortgage, and suggested that R.S. refinance his mortgage loan with a reverse mortgage.

C. In February, 2010, R.S., with assistance from defendants ECHEVARRIA and INCANDELA, submitted an application for a reverse mortgage loan through 1st Continental to Genworth.

D. On or about February 4, 2009, defendant INCANDELA hired real estate appraisal specialist, L.J. to appraise the property.

E. On or about February 4, 2010, 1st Continental caused L.J. to submit to 1st Continental the completed written appraisal report for the property, which L.J. appraised at \$210,000.

F. On or about a date between February 4, 2010 and February 23, 2010, defendant GENDASON fraudulently changed the original appraisal report submitted by L.J. to represent that the property was worth \$398,000 instead of \$210,000.

G. On or about a date between February 4, 2010 and February 23, 2010, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent written appraisal report for the property.

H. On or about February 23, 2010, defendant MACKEY created a fraudulent HUD-1 for the 104 Heron Parkway, West Palm Beach, FL property.

I. On or about March 1, 2010, defendant MACKEY wired the sum of \$99,604.84 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1067," to the Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

J. On or about May 11, 2010, defendants GENDASON and INCANDELA made or caused to be made, by telephone, a mortgage payment to Bank of America for the sum of \$1,217.77 drawn on a checking account in the name of "US Funding Incorporated."

K. On or about July 23, 2010, defendants GENDASON and INCANDELA made or caused to be made, by telephone, a mortgage payment to Bank of America for the sum of \$1,347.41 drawn on a checking account in the name of "Lachs Capital."

M. On or about August 17, 2010, defendants GENDASON and INCANDELA made or caused to be made, by telephone, a mortgage payment for the sum of \$1,217.77 drawn on a checking account in the name of "Lachs Capital."

N. On or about September 30, 2010, defendants GENDASON and INCANDELA made or caused to be made, by telephone, a mortgage payment to Bank of America for the sum of \$1,217.77 drawn on a checking account in the name of "Global Referral Services."

49. 8702 VISTA DEL BOCA DRIVE, BOCA RATON, FLORIDA

A. In or about 2009, D.B. sought assistance with the modification of the terms of his mortgage loan with Bank of America from defendant GENDASON.

B. In or about 2009, defendant GENDASON was unsuccessful in obtaining a loan modification from Bank of America, and defendant GENDASON suggested that D.B. refinance his mortgage with a reverse mortgage loan through 1st Continental.

C. In or about November 2009, defendant GENDASON referred D.B. to defendant INCANDELA, who explained to him that a reverse mortgage loan would allow him to remain in his home without having to pay any more mortgage payments.

D. In or about November 2009, defendant INCANDELA prepared the reverse mortgage application, which D.B. signed on or about November 8, 2009.

E. On or about November 4, 2009, 1st Continental caused L.J. to submit to 1st Continental the completed written appraisal report for the property, which L.J. appraised at \$265,000.

F. On or about a date between November 8, 2009, and November 12, 2009, defendant GENDASON fraudulently changed the original appraisal report submitted by L.J. to represent that the property was worth \$485,000 instead of \$265,000.

G. On or about a date between November 8, 2009, and November 12, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent appraisal report for the property.

H. On or about November 12, 2009, defendant MACKEY fraudulently created a HUD-1 for the 8702 Vista del Boca Drive, Boca Raton, FL property.

I. On or about November 12, 2009, defendant MACKEY wired the sum of \$147,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1032," to the Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

J. On or about January 25, 2010, defendants GENDASON and INCANDELA made or caused to be made, a mortgage payment to Bank of America in the sum of \$2,500 drawn on a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

K. On or about February 23, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Bank of America in the sum of \$1,819.32 drawn on a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

L. On or about March 12, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Bank of America in the sum of \$1,819.32 drawn on a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "8170."

M. On or about May 28, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Bank of America by telephone in the sum of \$2,700 drawn on a checking account in the name of "first continental mortgage."

N. On or about April 10, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Bank of America in the sum of \$13,318.80 drawn on a checking account at Florida Shores Bank in Pompano Beach, FL in the name of US Mortgage Funding, Inc.

50. 20970 OLD SCHOOL STREET, BIVALVE, MARYLAND

A. In or about 2009, R.E. was contacted by a representative from Lower My Debts and 1st Continental in Florida about a loan modification and/or a reverse mortgage loan.

B. In or about March, 2009, R.E., with assistance from defendants INCANDELA and GENDASON, submitted an application for a reverse mortgage loan through 1st Continental to Genworth.

C. In or about March, 2009, defendant INCANDELA telephoned a real estate appraisal specialist identified as R.L. and requested an appraisal; defendant INCANDELA informed R.L. that the estimated value of the property to be appraised was \$250,000.

D. On or about March 19, 2009, 1st Continental caused R.L. to submit to 1st Continental the completed written appraisal report for the property, which R.L. appraised at \$143,000.

E. On or about a date between approximately March 19, 2009, and May 8, 2009, defendant GENDASON fraudulently changed the original appraisal report of R.L. to represent that the property was worth \$270,000 instead of \$143,000.

F. On or about a date between approximately March 19, 2009, and May 8, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent written appraisal report for the property.

G. On or about a date between approximately March 19, 2009, and May 8, 2009, defendant GENDASON fraudulently deleted all references contained in the original appraisal report to the repairs needed on the property in order to comply with FHA guidelines.

H. On or about May 8, 2009, defendant MACKEY created a fraudulent HUD-1 for the 20970 Old School Street, Bivalve, MD property.

I. On or about May 4, 2009, defendant MACKEY wired the sum of \$24,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "4294," to a Lower My Debts bank account in Boca Raton, FL ending in "4461."

J. On or about May 7, 2009, defendant MACKEY wired the sum of \$27,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "4294," to a Lower My Debts bank account in Boca Raton, FL ending in "4461."

K. In or about August, 2009, defendants GENDASON, INCANDELA and ECHEVARRIA fraudulently negotiated a short sale purchase agreement with R.E.'s prior lender, Chase; defendant ECHEVARRIA was identified as the short sale purchaser.

L. In or about September, 2009, defendant MACKEY fraudulently created a HUD-1 depicting the fraudulently negotiated short sale; the defendants MACKEY and GENDASON then sent the HUD-1 to Chase.

51. 4879 HIGHWAY 546, EROS, LOUISIANA

A. In or about 2009, C.E. was contacted by telephone by a representative from 1st Continental identified as K.G.

B. In or about 2009, K.G. explained the reverse mortgage program to C.E, took her financial information over the telephone, and prepared a reverse mortgage application which C.E. signed on or about March 23, 2009.

C. On or about April 1, 2009, 1st Continental caused T.H., a real estate appraisal expert, to submit to 1st Continental, a completed written appraisal report for the property, which T.H. appraised at \$230,000.

D. On or about a date between April 1, 2009 and June 10, 2009, defendant GENDASON fraudulently changed the appraisal report of T.H. to represent that the property was worth \$275,000 instead of \$230,000.

E. On or about a date between April 1, 2009 and June 10, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent written appraisal report for the property.

F. On or about June 10, 2009, defendant MACKEY created a fraudulent HUD-1 for the 4879 Highway 546, Eros, LA property.

G. On or about July 6, 2009, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Chase Home Finance in the sum of \$6,000 drawn on a Lower My Debts checking account at TD Bank in Boca Raton, FL ending in "4461."

H. On or about August 10, 2009, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Chase Home Finance in the sum of \$1,800 drawn on a Lower My Debts checking account at TD Bank in Boca Raton, FL ending in "4461."

I. On or about September 14, 2009, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Chase Home Finance in the sum of \$4,980 drawn on a checking account at Florida Shores Bank in Pompano Beach, FL ending in "8010."

J. On or about October 7, 2009, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Chase Home Finance in the sum of \$1,151.23 drawn on a checking account at Florida Shores Bank in Pompano Beach, FL ending in "8010."

K. On or about November 17, 2009, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Chase Home Finance in the sum of \$4,800 drawn on a checking account at Florida Shores Bank in Pompano Beach, FL ending in "8010."

L. On or about February 9, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Chase Home Finance in the sum of \$2,780 drawn on a checking account at Florida Shores Bank in Pompano Beach, FL ending in "8010."

M. On or about March 15, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Chase Home Finance in the sum of \$2,780 drawn on a checking account at Florida Shores Bank in Pompano Beach, FL ending in "8010."

N. On or about May 14, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to Chase Home Finance in the sum of \$2,580 drawn on a checking account at PNC Bank in Boca Raton, Florida with an account number ending in "1246."

52. 19060 HUNTING CLUB ROAD, SEMINOLE, ALABAMA

A. In or about 2009, defendant INCANDELA contacted S.C., identifying himself as being from 1st Continental in Florida. Defendant INCANDELA told S.C. about reverse mortgages, and promised S.C. that a reverse mortgage would reduce her mortgage payment.

B. In or about 2009, defendant INCANDELA also promised S.C. that she would receive a rebate of between \$15,000 and \$30,000 after the reverse mortgage closed.

C. In or about December 2009, S.C., with defendant INCANDELA'S assistance, submitted an application for a reverse mortgage loan through 1st Continental to Genworth.

D. In or about November 2009, defendant INCANDELA contacted a real estate appraisal specialist identified as A.L. and ordered a real estate appraisal on S.C.'s property.

E. On or about December 1, 2009, 1st Continental caused A.L. to submit to 1st Continental the completed written appraisal report for the property, which A.L. appraised at \$167,000.

F. On or about a date between December 1, 2009 and January 8, 2010, defendant GENDASON fraudulently changed the original appraisal report of A.L. to represent that the property was worth \$405,000 instead of \$167,000.

G. On or about a date between December 1, 2009 and January 8, 2010, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent written appraisal report for the property.

H. On or about January 8, 2010, defendant MACKEY fraudulently created a HUD-1 for the 19060 Hunting Club Road, Seminole, AL property.

I. On or about January 8, 2010, defendant MACKEY wired the sum of \$88,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1032" to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

J. On or after January 13, 2010, defendant MACKEY wired the sum of \$14,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1032" to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

53. 461 RIDGE ROAD, BIRMINGHAM, ALABAMA

A. In or about late 2009, a man identifying himself as "K.G." from 1st Continental called L.H. and explained the reverse mortgage process to the L.H.

B. In or about late 2009, K.G. promised L.H. he would receive approximately \$13,000 at the closing of his reverse mortgage loan.

C. On or about December 28, 2009, defendant INCANDELA prepared a reverse mortgage application for L.H., which L.H. signed.

D. In or about December 2009, K.G. contacted a real estate appraisal specialist identified as B.A. and ordered an appraisal on L.H.'s property.

E. On or about December 4, 2009, 1st Continental caused B.A. to submit to 1st Continental the completed written appraisal report for the property, which B.A. appraised at \$105,000.

F. On or about a date between December 4, 2009 and December 28, 2009, defendant GENDASON fraudulently changed the original appraisal report of B.A. to represent that the property was worth \$115,000 instead of \$105,000.

G. On or about a date between December 4, 2009 and December 28, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent written appraisal report for the property.

H. On or about December 28, 2009, defendant MACKEY created a fraudulent HUD-1 for the 461 Ridge Road, Birmingham, AL property.

I. On or about December 29, 2009, defendant MACKEY wired the sum of \$41,859 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1032" to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

J. On or about December 30, 2009, defendant MACKEY wired the sum of \$8,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1032" to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

K. On January 15, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to CitiMortgage in the sum of \$2,000 drawn on a checking account at Florida Shores Bank in Pompano Beach, FL with an account number ending in "8010."

L. On March 17, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to CitiMortgage in the sum of \$2,272 drawn on a Lower My Debts checking account in Boca Raton, FL ending in "4461."

M. On April 15, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to CitiMortgage in the sum of \$10,000 drawn on a checking account at HSBC Bank USA in Miami, FL ending in "9575."

N. On April 27, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to CitiMortgage in the sum of \$5,000 drawn on a checking account at JPMorgan Chase Bank in Detroit, MI ending in "8252."

O. On May 6, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to CitiMortgage in the sum of \$9,990 drawn on a checking account at JPMorgan Chase Bank in Miami, FL ending in "8252."

P. On May 14, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to CitiMortgage in the sum of \$4,900 drawn on a checking account at JPMorgan Chase Bank in Miami, FL ending in "8252."

54. 6235 BLACKSTONE AVENUE, BALTIMORE, MARYLAND

A. In or about January, 2010, defendant INCANDELA contacted a real estate appraisal specialist identified as E.L. by telephone and ordered an appraisal on the property owned by S.Z. in connection with S.Z.'s application for a reverse mortgage loan.

B. In or about January, 2010, defendant INCANDELA faxed an appraisal request to E.L. that also estimated the value of the property; E.L. told INCANDELA that the estimate was too high. Defendant INCANDELA told E.L. perform the appraisal anyway.

C. On or about January 6, 2010, 1st Continental caused E.L. to submit to 1st Continental the completed written appraisal report for the property, which E.L. appraised at \$270,000.

D. On or about a date between January 6, 2010, and March 11, 2010, defendant GENDASON fraudulently changed the original appraisal report submitted by E.L. to represent that the property was worth \$495,000 instead of \$270,000.

E. On or about a date between January 6, 2010, and March 11, 2010, defendant GENDASON fraudulently deleted information pertaining to necessary repairs contained in the original appraisal report.

F. On or about a date between January 6, 2010, and March 11, 2010, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent written appraisal report for the property.

G. On or about March 11, 2010, defendant MACKEY created a fraudulent HUD-1 for the 6235 Blackstone Avenue, Baltimore, MD property.

H. On or about March 11, 2010, defendant MACKEY wired the sum of \$73,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1067" to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

I. On or about April 15, 2010, defendants GENDASON and INCANDELA made or caused to be made, a mortgage payment to EMC Mortgage Corporation in the sum of \$500.00 drawn on a bank account at HSBC Bank USA in Miami, FL ending in "9575."

J. On or about May 31, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to EMC Mortgage Corporation in the sum of \$4,026.81 drawn on a bank account at JP Morgan Chase Bank in Miami, FL ending in "8252." The name referenced on this account was "One St Continental."

K. On or about June 29, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to EMC Mortgage Corporation in the sum of \$4,026.81 drawn on a bank account at Bank of America, N.A. in Hollywood, FL with an account number ending in "6924." The name referenced on this account was "US Mortgage Funding."

L. On or about August 6, 2010, defendants GENDASON and INCANDELA made, or caused to be made, a mortgage payment to EMC Mortgage Corporation in the sum of \$4,026.81 drawn on a bank account at Sun Trust Bank in Fern Park, FL with an account number ending in "6542." The name referenced on this account was "Lachs Capital."

55. 1457 SOUTH SAN JOAQUIN STREET, STOCKTON, CALIFORNIA

A. In or about September 2009, with the assistance of defendant INCANDELA, J.R. submitted an application for a reverse mortgage loan through 1st Continental to Genworth.

B. In or about September 2009, defendant INCANDELA contacted a real estate appraisal specialist identified as C.R. by telephone to arrange for an appraisal of the property.

C. In or about September 2009, defendant INCANDELA e-mailed C.R. a written request for the appraisal, estimating the value of the property at \$250,000.

D. On or about September 4, 2009, 1st Continental caused C.R. to submit to 1st Continental the completed written appraisal report for the property, which C.R. appraised at \$53,000.

E. On or about a date between September 4, 2009, and October 1, 2009, defendant GENDASON fraudulently changed the original appraisal report submitted by C.R. to represent that the property was worth \$275,000 instead of \$53,000.

F. On or about a date between September 4, 2009, and October 1, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent appraisal for the property.

G. On or about October 1, 2009, defendant MACKEY created a fraudulent HUD-1 for the 1457 South San Joaquin Street, Stockton, CA property.

H. On or about February 12, 2010, defendant MACKEY created a fraudulent HUD-1 reflecting the terms of a fraudulent short sale.

56. 1585 West 30th STREET, WEST PALM BEACH, FLORIDA

A. In or about August 2009, B.B., assisted by defendant INCANDELA, submitted an application for a reverse mortgage loan through 1st Continental to Genworth.

B. In or about August 2009, the defendant INCANDELA hired real estate appraisal specialist, L.J., to appraise the value of B.B.'s property.

C. On or about August 14, 2009, 1st Continental caused L.J. to submit to 1st Continental the completed written appraisal report for the property, which L.J. appraised at \$150,000.

D. On or about a date between August 14, 2009, and August 24, 2009, defendant GENDASON fraudulently changed the original appraisal report submitted by L.J. to represent that the property was worth \$353,000 instead of \$150,000.

E. On or about a date between August 14, 2009, and August 24, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent written appraisal report for the property.

F. On or about August 24, 2009, defendant MACKEY created a fraudulent HUD-1 for the 1585 West 30th Street, West Palm Beach, FL property.

G. On or about August 24, 2009, defendant MACKEY wired the sum of \$134,492 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1067," to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

H. On or about August 28, 2009, defendant MACKEY wired the sum of \$5,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1067," to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

I. On or about November 18, 2009, defendant MACKEY wired the sum of \$27,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1067," to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461." The wire referenced B.B.'s "payoff."

57. 3711 WEST COUNTRY CLUB ROAD, PHILADELPHIA, PENNSYLVANIA

A. In or about October 2009, C.G. was contacted by telephone by an individual purporting to represent Lower My Debts and discussed financial difficulties she was then having with her mortgage.

B. In or about October 2009, C.G. was referred to defendants GENDASON and INCANDELA, and Defendant INCANDELA recommended that she apply for a reverse mortgage loan.

C. In or about October 2009, defendant INCANDELA told C.G. that in order to qualify for a reverse mortgage, she must quit-claim title to her home to her mother, an individual identified as H.J., who was then over the age of sixty-two (62).

D. On or about December 28, 2009, with the assistance of defendant INCANDELA, H.J. submitted an application for a reverse mortgage loan through 1st Continental to Genworth.

E. In or about December 2009, defendant ECHEVARRIA contacted a real estate appraisal specialist identified as T.D. to arrange for an appraisal.

F. On or about December 29, 2009, 1st Continental caused T.D. to submit to 1st Continental the completed written appraisal report for the property, which T.D. appraised at \$185,000.

G. On or about a date between December 29, 2009, and February 17, 2010, defendant GENDASON fraudulently changed the original appraisal report submitted by T.D. to reflect that the property was worth \$325,000 instead of \$185,000.

H. On or about a date between December 29, 2009 and February 17, 2010, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent appraisal report for the property.

I. On or about February 17, 2010, defendant MACKEY created a fraudulent HUD-1 for the 3711 West Country Club Road, Philadelphia, PA property.

J. On or about January 8, 2010, defendant MACKEY wired the sum of \$88,000 from an REO escrow account at Citizens Bank in Pittsburgh, PA ending in "1032," to a

Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461." This wire contained a reference that it was related to borrowers S.C. and H.J.

58. 2541 VIRGINIA COLONY AVENUE, LAPLACE, LOUISIANA

A. On or about January 8, 2010, K.G. representing 1st Continental, e-mailed a real estate appraisal specialist identified as J.L. to arrange for an appraisal on M.C.'s property.

B. On or about January 9, 2010, 1st Continental caused J.L. to submit to 1st Continental the completed written appraisal report for the property, which J.L. appraised at \$125,000.

C. On or about a date between January 9, 2010, and January 22, 2010, defendant GENDASON fraudulently changed the original appraisal report submitted by J.L. to represent that the property was worth \$180,000 instead of \$125,000.

D. On or about a date between January 9, 2010, and January 22, 2010, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent appraisal report for the property.

E. On or about January 22, 2010, defendant MACKEY created a fraudulent HUD-1 for the 2514 Virginia Colony, LaPlace, LA property.

59. 3009 FERNDAL AVENUE, BALTIMORE, MARYLAND

A. In or about June, 2009, defendant ECHEVARRIA contacted a real estate appraisal specialist identified as R.F. to arrange for an appraisal to be performed on D.N.'s property.

B. On or about June 12, 2009, 1st Continental caused R.F. to submit to 1st Continental, the completed written appraisal report for the property, which R.F. appraised at \$107,000.

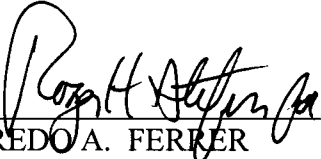
C. On or about a date between June 12, 2009, and July 23, 2009, defendant GENDASON fraudulently deleted references to necessary repairs and other safety observations about the property made by R.F. in her original appraisal report.


D. On or about a date between June 12, 2009, and July 23, 2009, 1st Continental electronically submitted to Genworth, along with other necessary loan application documentation, the altered and fraudulent appraisal report for the property.

E. On or about July 23, 2009, defendant MACKEY wired the sum of \$12,000 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1032," to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

F. On or about July 27, 2009, defendant MACKEY wired the sum of \$39,562.04 from an REO escrow bank account at Citizens Bank in Pittsburgh, PA ending in "1032," to a Lower My Debts bank account at TD Bank in Boca Raton, FL ending in "4461."

All in violation of Title 18, United States Code, Section 1349.


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