



**United States Department of Justice  
United States Attorney's Office  
District of Minnesota**



# News Release

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FOR IMMEDIATE RELEASE

Tuesday, May 3, 2011

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## **Fridley man sentenced for defrauding eight mortgage lenders of \$1.9 Million**

Earlier today in federal court in Minneapolis, a 50-year-old Fridley man was sentenced for defrauding eight mortgage lenders of \$1.9 million. United States District Court Judge David S. Doty sentenced Taleb Mohamed Wazwaz to 24 months in prison on one count of conspiracy to commit mortgage fraud through the use of interstate wires. Wazwaz was charged via an Information on April 19, 2010, and pleaded guilty on May 4, 2010.

In his plea agreement, Wazwaz admitted conspiring with others between May of 2005 and March of 2006 to defraud mortgage lenders by purchasing or causing others to purchase twelve Minneapolis properties at inflated prices and keeping much of the borrowed money for his own benefit or the benefit of others involved in the scam. To effect that fraud, Wazwaz himself purchased eight properties entirely with borrowed funds. In each instance, Wazwaz borrowed more money than the property's true asking price, and in some instances, he caused the sellers to sign purchase agreement addenda that obligated them to pay him the differences between the amounts borrowed and the properties' true asking prices. Those addenda were never disclosed to the lenders.

In three of those instances, Wazwaz induced the title companies to pay Iman Sun Properties, Inc., the difference between the amount borrowed and the property's true asking price. Wazwaz, the sole owner of Iman Sun Properties, prompted those inducements by including promissory notes in the title files that reflected liabilities owed by the sellers to Iman Sun. In addition, he asserted that various sellers owed Iman Sun substantial sums for "property management." Both the liability claims and management-fee claims were fictitious.

In some instances, Wazwaz also received down-payment assistance from an unindicted co-conspirator but failed to disclose that fact to potential lenders. Moreover, he often caused

lenders to finance his purchases by supplying them with applications containing false information, including that he received rental income; that the property would be his primary residence; and that he had no other mortgage debt.

As a result of this fraud, Wazwaz collected directly or through Iman Sun Properties a total of \$784,585.70. Then, after making only a few mortgage payments on these properties, he allowed them to go into default.

Wazwaz committed additional fraud by signing purchase agreements to buy homes from third parties for the true market values, but then he recruited straw buyers to purchase the properties for twice their values. Again the money was borrowed, with the loans being prompted by misrepresentations made by Wazwaz or others at his direction. In addition, Wazwaz induced the title companies involved in these transactions to pay him substantial "assignment fees." This third-party fraud occurred in no fewer than four instances and resulted in Wazwaz obtaining a total of \$1,141,395.80 for his own benefit and the benefit of his co-conspirators and the straw buyers. Again, within several months, the properties lapsed into default.

Specific to the charge filed in this action, Wazwaz caused \$442,592.76 to be transferred by wire from a California lender to the bank account of a straw buyer on March 8, 2006. The money was later used to purchase one of the condo units.

This case was the result of an investigation by the Federal Bureau of Investigation and was prosecuted by Assistant U.S. Attorney David J. MacLaughlin.

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