

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
970 Broad Street, Seventh Floor  
Newark, New Jersey 07102

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***Ralph J. Marra, Jr., Acting U.S. Attorney***

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***More Information?*** Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

***News on the Internet:*** News Releases and related documents are posted at our website.  
***Go to:*** <http://www.usdoj.gov/usao/nj/press/index.html>

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barn0225.rel

FOR IMMEDIATE RELEASE  
Feb. 25, 2009

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## Clifton Man Pleads Guilty to Wire Fraud for Role in Paterson-Based Mortgage Fraud, Property-Flipping Scheme

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(More)

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NEWARK – A Clifton man pleaded guilty today to wire fraud conspiracy in connection with a mortgage fraud and property-flipping scheme involving rental properties in Paterson, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

Norman Barna, 69, who owned and sold two- and three-family rental properties in Paterson, pleaded guilty before U.S. District Judge Jose L. Linares to one count of wire fraud conspiracy, which carries a maximum statutory penalty of five years in prison and a fine of \$250,000.

Under the advisory U.S. Sentencing Guidelines, Barna faces an actual sentencing range of between 12 and 18 months in prison. He also will have to pay restitution to the victims. The guidelines are advisory only, and Judge Linares has discretion in imposing a sentence within, above or below the guidelines range.

Barna admitted that he had an arrangement with Michael Eliasof, a former Paramus real estate agent, to sell properties in Paterson under which Barna would receive a \$25,000 profit for each property sold. Barna also admitted that some of these properties were in poor condition and that the sales prices for these properties generally were higher than the properties were worth.

Barna added that at the closings of these transactions, which occurred at the law office of W.C., who is now deceased and was then a municipal judge in Garfield, Eliasof received substantially more money than real estate agents typically receive for such transactions. In connection with these closings, Barna admitted signing HUD-1 settlement statements containing false representations.

Barna also stated that he knew that some of these real estate transactions were financed by US Mortgage Corp., through loan officer Gerald Carti. According to Barna, Eliasof later told him that a woman at US Mortgage was making Carti refinance those loans.

Carti pleaded guilty yesterday. For that news release, follow this link to yesterday's date:

<http://www.usdoj.gov/usao/nj/press/2009releases.html>

Barna's guilty plea is the latest step in an investigation by the U.S. Department of Housing and Urban Development Office of Inspector General (HUD-OIG), the FBI, the U.S. Postal Inspection Service and the IRS Criminal Investigations Division into fraudulent Federal Housing Administration-insured and conventional mortgage loans originated by various New Jersey mortgage companies, including US Mortgage and United Home Mortgage. The investigation has resulted in 13 guilty pleas from New Jersey residents, including Eliasof, Carti and Barna.

Marra credited Special Agents of HUD-OIG, under the direction of Special Agent in Charge Rene Febles; Postal Inspectors of the U.S. Postal Inspection Service, under the direction of Postal Inspector In Charge David L. Collins; Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord; and Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, for their tireless investigation leading to the guilty pleas.

The government is represented by Assistant U.S. Attorney Mark E. Coyne of the U.S. Attorney's Commercial Crimes Unit.

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Defense Counsel:  
For Barna: Kalman Harris Geist, Esq., West Paterson