

NEWS

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FOR IMMEDIATE RELEASE
March 17, 2009

Paterson Man Admits Money Laundering and Wire Fraud for Role in Mortgage Fraud, Property-Flipping Scheme

(More)

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NEWARK – A Paterson man pleaded guilty today to wire fraud conspiracy and money laundering 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.

Renford Davis, 47, whose trial on a 25-count Indictment against him and two co-defendants was to begin on May 4, admitted conspiring with his co-defendants and several others to originate mortgage loans fraudulently and to engage in money laundering with proceeds of the loans during 2002 through 2005. The loans were for two- and three-family homes in Paterson.

Davis pleaded guilty before U.S. District Judge José L. Linares to one count of wire fraud conspiracy, which carries a maximum statutory penalty of 30 years in prison and a fine of \$1 million, and one count of money laundering conspiracy, with a maximum statutory penalty of 10 years in prison and a fine of \$250,000.

Under the advisory U.S. Sentencing Guidelines, Davis faces an actual sentencing range of between 30 and 37 months in prison. The guidelines are advisory only, however, and Judge Linares has discretion in imposing a sentence within, above or below the guidelines range. Davis will also be required to pay restitution to the victims.

Davis admitted that he conspired with Michael Eliasof, a former Paramus real estate agent; W.C., a Garfield attorney; Melanie Gebbia, W.C.'s legal assistant; Gerald Carti, a former US Mortgage Corp. loan officer; Frank Corallo, a former US Mortgage loan processor; Amer Mir, a former loan officer at United Home Mortgage Co. in Jersey City; Claribel Morrobel, who recruited borrowers for Eliasof; and Hopeton Bradley, who jointly managed with Davis of the Paterson properties involved in the scheme; and others. Eliasof, Gebbia, Carti, Morrobel, Corallo, Bradley (who has since died) and one other conspirator have each pleaded guilty in connection with this scheme; W.C. is also deceased; and Mir's trial is scheduled to begin May 4, along with that of co-defendant Frederick Ugwu, of Saddle River.

Davis admitted recruiting borrowers to purchase two- and three-family homes in Paterson through Eliasof knowing that the borrowers would be putting no money down to purchase these properties. Davis further admitted providing false verifications of rent to Corallo and others to help these borrowers qualify for mortgage loans. Davis also admitted that the closings of these loans take place at the law office of W.C., then a Garfield municipal judge, and that Bradley and Davis through their real estate management company, Renhops, received substantial portions of the fraudulent loan proceeds after the closings.

Davis'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 Internal Revenue Service 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 a dozen guilty pleas from New Jersey residents.

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 FBI, under the direction of Special Agent in Charge Weysan Dun; and Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge William P. Offord, for their investigation.

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 Davis: Stephen Turano, Esq., New York