

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

FILED

UNITED STATES OF AMERICA

v.

VICTOR PATELA and  
JOSE DOMINGUEZ a/k/a JOSEPH  
DOMINGUEZ

Hon. Michael A. Shipp

FEB 23 2011

Mag. No. 11-6027 (MAS)

AT 8:30  
CHAMBERS OF  
HON. MICHAEL A. SHIPP,  
U.S.M.J.

**CRIMINAL COMPLAINT**

I, Alan S. Mohl, being duly sworn, state the following is true and correct to the best of my knowledge and belief. Between on or about September 14, 2003 and on or about November 8, 2004, in the District of New Jersey and elsewhere, defendants VICTOR PATELA and JOSE DOMINGUEZ a/k/a JOSEPH DOMINGUEZ did

knowingly and intentionally conspire and agree with each other and others to execute a scheme and artifice to defraud a financial institution, specifically Spencer Savings Bank in Elmwood Park, New Jersey, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of Spencer Savings Bank, by means of materially false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344,

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

I further state that I am a Special Agent with the Federal Bureau of Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.



Alan S. Mohl, Special Agent  
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,  
February 23, 2011, at Newark, New Jersey

HONORABLE MICHAEL A. SHIPP  
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

## ATTACHMENT A

I, Alan S. Mohl, am a Special Agent with the Federal Bureau of Investigation. I am fully familiar with the facts set forth herein based on my own investigation, my conversations with law enforcement officers, and my review of reports, documents, and items of evidence. Since the complaint is being submitted for the limited purpose of establishing probable cause to believe that the defendants have committed the referenced federal offense, I have not set forth each and every fact that I have learned concerning this investigation:

1. At all times relevant to this complaint, defendant Victor Patela (defendant "PATELA") was the managing member and owner of JVI Realty, LLC, a New Jersey limited liability company ("JVI"), and a police officer for the Newark, New Jersey Police Department.

2. JVI, by its principal, defendant PATELA, applied for a commercial real estate mortgage loan with Spencer Savings Bank, SLA, located in Elmwood Park, New Jersey, with principal offices located in Garfield, New Jersey ("SPENCER SAVINGS") in an application dated September 14, 2003.

3. At all times relevant to this Complaint, SPENCER SAVINGS was a financial institution that offered loans and other financing arrangements, and its deposits were insured by the Federal Deposit Insurance Corporation.

4. Jose Dominguez a/k/a Joseph Dominguez (defendant "DOMINGUEZ") was an employee of SPENCER SAVINGS from on or about January 1988 through on or about January 2007 and served as the loan officer for JVI's commercial loan application.

5. On or about September 14, 2004, SPENCER SAVINGS documented in its Commercial Loan Submission that JVI, by its principal, defendant PATELA, requested a commercial loan in the amount of \$1,920,000 for the purpose of purchasing apartment buildings located at 416-424 and 430-436 East Jersey Avenue in Elizabeth, New Jersey (the "Elizabeth Properties") for \$2,400,000. The Elizabeth Properties were owned at that time by Santander Realty Group ("SANTANDER REALTY"). The Commercial Loan Submission further provided that the loan amount constituted 80% of the purchase price and that defendant PATELA, among satisfying other conditions, would need to provide SPENCER SAVINGS with sufficient evidence of the source of funds for the remainder of the purchase price in the amount of \$480,000. Defendant DOMINGUEZ recommended approval of the loan as evidenced by his signature on the Commercial Loan Submission following the words "Recommended By."

6. By letter dated September 29, 2004 which was executed by both SPENCER SAVINGS and defendant PATELA, SPENCER SAVINGS advised defendant PATELA of its commitment to finance the purchase of the Elizabeth Properties subject to the terms and conditions outlined in the letter. Paragraph 20(B) provided that there should be no secondary financing of the Elizabeth Properties by JVI and defendant PATELA and that no subordinate liens or encumbrances affecting the Elizabeth Properties should be created or permitted by JVI

and defendant PATELA during the term of the financing. Paragraph 24(O)(6) of the commitment letter further provided that among other conditions, SPENCER SAVINGS must receive and be satisfied with its review of the source of funds for the \$480,000 equity contribution. Defendant PATELA signed the September 29, 2004 letter as Managing Member of JVI.

7. On or about November 1, 2004, SPENCER SAVINGS was informed that defendant PATELA intended to submit a real estate contract, demonstrating his sale of a property located on Jabez Street in Newark, New Jersey (the "Jabez Street Property") as the source of the \$480,000 equity contribution for the purchase of the Elizabeth Properties. By letter dated November 1, 2004, SPENCER SAVINGS provided defendant PATELA's attorney with closing figures for a scheduled closing of November 5, 2004. In the letter, SPENCER SAVINGS indicated, that among other documents, it had to receive a copy of the agreement for the sale of real estate for the Jabez Street Property.

8. Between on or about November 1, 2004, and on or about November 5, 2004, SPENCER SAVINGS received as part of the loan documents, a Contract for Sale of Real Estate purporting to be executed on or about October 4, 2004 (the "Fraudulent Contract"), as evidence of the source of funds in the amount of \$480,000 which was to serve as the down payment on the Elizabeth Properties. The Fraudulent Contract that SPENCER SAVINGS received, indicated that defendant PATELA had sold the Jabez Street Property to an individual for the purchase price of \$540,000. The Fraudulent Contract further stated that the individual paid defendant PATELA \$54,000 upon signing the Fraudulent Contract and that the anticipated closing on the sale was scheduled for November 8, 2004. In fact, defendant PATELA did not own the Jabez Street Property in October 2004 at the time that the Fraudulent Contract purported that it was sold to the individual. Review of the deed for the property revealed that defendant PATELA and his brother sold the Jabez Street Property on or about April 23, 2003 to a completely different individual for approximately \$480,000.

9. On November 5, 2004, SPENCER SAVINGS entered into a Mortgage & Security Agreement with JVI to pay JVI the sum of \$1,920,000 which would be returned in accordance with the Mortgage & Security Agreement, Promissory Note that was executed that same day, along with other loan documents. The Mortgage & Security Agreement with JVI, that was signed by defendant PATELA, prohibited defendant PATELA from encumbering or mortgaging the Elizabeth Properties without the written consent of SPENCER SAVINGS.

10. JVI, through defendants PATELA and DOMINGUEZ, subsequently secured a second mortgage from SANTANDER REALTY on the Elizabeth Properties, contrary to the terms of the Mortgage & Security Agreement with SPENCER SAVINGS. Although the sale agreement of the Elizabeth Properties between SANTANDER REALTY and JVI was dated September 16, 2004, the property was deeded from SANTANDER REALTY to JVI on November 5, 2004, with the understanding that JVI would need to secure a second mortgage from SANTANDER REALTY in order to have enough money to purchase the Elizabeth Properties. By mortgage and mortgage note dated November 8, 2004, defendants PATELA and

DOMINGUEZ agreed on behalf of JVI Realty to a second mortgage with SANTANDER REALTY, a five-year interest only loan in the amount of \$300,000. The \$300,000 loan was used as part of the \$480,000 equity contribution to purchase the Elizabeth Properties. Both defendants PATELA and DOMINGUEZ signed the mortgage and mortgage note as corporate officers of JVI. Defendant Dominguez never disclosed his relationship with JVI and/or defendant PATELA to SPENCER SAVINGS: (a) when JVI applied for its initial loan with SPENCER SAVINGS and (b) when defendant DOMINGUEZ recommended approval of JVI's loan application and otherwise represented SPENCER SAVINGS while serving as the loan officer.

11. On or about November 10, 2008, defendant PATELA made his last payment on the \$1,920,000 mortgage with SPENCER SAVINGS before causing JVI to default on the loan. On or about February 2, 2010, defendant PATELA turned over the deed to the Elizabeth Properties to SPENCER SAVINGS in lieu of foreclosure. After SPENCER SAVINGS sold the Elizabeth Properties in mitigation of its loss on the defaulted mortgage loan, the loss amount to SPENCER SAVINGS totaled over \$400,000.

12. On or about March 17, 2009, defendant PATELA caused JVI to file for bankruptcy in federal court. As part of the bankruptcy filing, defendant PATELA represented that he took out a second mortgage on the Elizabeth Properties in November 2004 in the amount of approximately \$300,000. The second mortgage was prohibited by the conditions of the commitment letter and Mortgage & Security Agreement that (a) defendant PATELA and SPENCER SAVINGS executed as described in part in paragraphs 6 and 9 of this complaint and (b) for which defendant DOMINGUEZ served as the loan officer with SPENCER SAVINGS.