



*United States Attorney
Southern District of New York*



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**REAL ESTATE ATTORNEY AND LOAN OFFICER FOUND GUILTY
IN MULTI-MILLION MORTGAGE FRAUD SCHEME AT GUYAMERICAN
FUNDING**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that RAVI PERSAUD, a real estate attorney, and GEORGE ESSO, a former loan officer, were found guilty yesterday of participating in a multi-million dollar mortgage fraud scheme through GuyAmerican Funding Corp., a mortgage brokerage located in Queens, New York. The scheme involved the use of numerous fraudulent loan applications designed to trick banks into lending money to unqualified borrowers for the purchase of residential properties in the New York City area. In total, ESSO and RAVI PERSAUD were charged along with eight other defendants in a scheme that defrauded banks out of more than \$23 million in home mortgage loans.

According to the Superseding Indictment and the evidence introduced at trial before U.S. District Judge SHIRA A. SCHEINDLIN:

RAVI PERSAUD and ESSO participated in a massive mortgage fraud scheme operated through a branch office of GuyAmerican Funding located on Liberty Avenue, in Jamaica, New York. ESSO was a loan officer at GuyAmerican and a licensed real estate broker who received thousands of dollars in commissions based on fraudulent loan applications submitted to lenders. In particular, ESSO was personally involved in submitting loan applications on behalf of borrowers that contained numerous false statements relating to the borrowers' income, employment, and residence. For example, ESSO and another loan officer, PEGGY PERSAUD, agreed to list fake jobs on the borrowers' loan applications in order to convince banks that the borrowers made more money than they actually did and were therefore a good credit risk. ESSO directly participated in obtaining over \$1 million in fraudulent mortgages through false statements.

Several of the co-conspirators charged as part of the scheme worked with GuyAmerican loan officers to recruit homeowners in financial distress who were willing to sell their homes. These co-conspirators used "straw buyers" -- persons who posed as home buyers in exchange for a fee, but who had no intention of living in the mortgaged properties -- to perpetrate the scheme. The co-conspirators then arranged home sales between the distressed sellers and the straw buyers, frequently using the same straw buyer to obtain multiple mortgage loans, and all using fraudulent representations about the supposed purchasers' net worth, employment, and income.

RAVI PERSAUD acted as the closing attorney in connection with many of these fraudulent transactions, including on loans in which the same straw buyer was used to purchase multiple properties within a short period of time. As the closing attorney, RAVI PERSAUD was supposed to represent the interests of the bank in connection with the real estate transaction and distribute the loan proceeds according to a schedule that he provided to the bank. Instead, the evidence established that RAVI PERSAUD acted at the behest of his co-conspirators in the scheme, receiving the loan proceeds into his attorney account and subsequently making illicit payments from the loan proceeds to his co-conspirators. RAVI PERSAUD also assisted the scheme by writing checks to co-conspirators in order to set aside six months worth of mortgage payments from the closing proceeds, so that the lenders would not discover the scheme. He further concealed these payments by sending false documents to the banks regarding how the loan proceeds were being distributed.

* * *

ESSO, 38, of Saint Albans, New York, was convicted of one count of conspiracy to commit bank and wire fraud and one count of bank fraud, and faces a maximum penalty of 60 years in prison.

RAVI PERSAUD, 44, of Glen Head, New York, was convicted of one count of bank and wire fraud and three counts of bank fraud. He faces a maximum sentence of 120 years in prison.

Both defendants will be required to pay restitution to the victims of their offenses, and to forfeit the proceeds of their crimes.

PEGGY PERSAUD, ORETTE KILLIKELLY, and ELTON LORD previously pled guilty.

The case against CHEDDI GOBERDHAN is still pending.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation and the New York State Banking Department and thanked them for their assistance in this case.

Manhattan U.S. Attorney PREET BHARARA stated: "The real estate professionals found guilty yesterday sacrificed their licenses to their greed, and sought to profit at the expense of the banks that relied upon them. This verdict sends the clear message that we will continue to work tirelessly, together with our law enforcement partners, to prosecute mortgage fraud and to hold professionals accountable when they cease to be gatekeepers and decide to join the fraud themselves."

This case was part of the coordinated takedown of "Operation Bad Deeds," a joint federal, state, and local law enforcement operation targeting mortgage fraud crimes, announced on October 15, 2009, in which 41 defendants were charged in various mortgage fraud scams in New York, Pennsylvania, Ohio, and North Carolina.

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This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

The cases arising from "Operation Bad Deeds" are being overseen by the Office's Complex Frauds Unit. Assistant U. S. Attorneys ANTONIA M. APPS and REBECCA ROHR are in charge of the prosecution.