



*United States Attorney
Southern District of New York*



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**PRESIDENT OF QUEENS MORTGAGE BROKER SENTENCED
IN MANHATTAN FEDERAL COURT TO 30 MONTHS IN PRISON
FOR PARTICIPATION IN MASSIVE MORTGAGE FRAUD SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that DAVID RAMNAUTH, the former president of the Queens mortgage brokerage GuyAmerican Funding Corp. ("GuyAmerican"), was sentenced today to 30 months in prison for his role in a massive mortgage fraud scheme in which over \$23 million in fraudulent loans were processed in connection with over 44 properties in the New York metropolitan area. RAMNAUTH pled guilty to his role in the mortgage fraud scheme in August 2010.

Manhattan U.S. Attorney PREET BHARARA said: "As the president of a mortgage brokerage that was little more than a fraud mill, David Ramnauth abdicated his professional responsibility just to make a quick buck. Today's sentence makes clear that corrupt gatekeepers like Ramnauth who perpetrated these schemes will be punished for their crimes. Along with our law enforcement partners, we will continue to investigate and punish those who perpetrate and profit from mortgage fraud."

According to the Indictment and other documents previously filed in Manhattan federal court and statements made in court:

RAMNAUTH, the President of GuyAmerican, facilitated a massive mortgage fraud scheme that was conducted through a GuyAmerican branch office located in Jamaica, New York. RAMNAUTH permitted his state-approved mortgage brokerage license to be used by the loan officers of GuyAmerican to submit fraudulent applications for millions of dollars of loans. In return, RAMNAUTH received hundreds of thousands of dollars in commissions from the federally insured financial institutions that were deceived by the fraudulent scheme.

RAMNAUTH was one of eleven defendants charged in connection with the fraudulent scheme that was run through

GuyAmerican. Four defendants, PEGGY PERSAUD, ORETTE KILLIKELLY, TARAMATEE SINGH, and GEORGE ESSO, were loan officers at GuyAmerican who collectively submitted dozens of loans containing false statements as to the borrowers' employment, income, and assets, among other things. The loan officers also each received tens, and in some cases hundreds, of thousands of dollars in commissions based on the fraudulent loans.

Three other defendants charged in the scheme, ELTON LORD, RAFICK BAKSH, and MAHAMOOD HUSSAIN, worked with GuyAmerican loan officers to recruit homeowners in financial distress who were willing to sell their homes. They 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 defendants arranged home sales between the distressed sellers and these straw buyers, and obtained mortgage loans using fraudulent representations. The defendants re-sold, or flipped, properties multiple times between different straw buyers, stripping the equity from these properties as they were resold with inflated market values.

RAMNAUTH entered into an arrangement with the loan officers submitting the fraudulent loans, such that they could continue to use his mortgage brokerage license provided the "real buyers" of the properties - LORD, BAKSH, and HUSSAIN - held back six months of mortgage payments from the closings, thereby concealing the fraudulent scheme from the banks. RAMNAUTH also submitted his own fraudulent loans to banks, falsifying employment information on the loan applications, including for the purchase of a property by his wife.

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RAMNAUTH, 55, of Levittown, New York, previously pled guilty to one count of conspiring to commit bank and wire fraud. In addition to the prison term, U.S. District Judge SHIRA A. SCHEINDLIN also sentenced RAMNAUTH to a term of three years of supervised release.

LORD, who pled guilty on August 4, 2010, was sentenced on January 13, 2011, to 46 months in prison. GEORGE ESSO, who was found guilty after a two-week trial on August 26, 2010, was sentenced on February 4, 2011, to one year and one day in prison and three years of supervised release.

PEGGY PERSAUD, KILLIKELLY, TARAMATEE SINGH, CHEDDI GOBERDHAN, and RAJNARINE SINGH previously pled guilty but have not yet been sentenced. RAVI PERSAUD was found guilty after a trial and is awaiting sentencing.

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Mr. BHARARA praised the work of the FBI and thanked them for their assistance in the case.

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.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorneys ANTONIA M. APPS and REBECCA ROHR are in charge of the prosecution.

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