



*United States Attorney
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**PROPERTY OWNER SENTENCED IN MANHATTAN FEDERAL
COURT TO 51 MONTHS IN PRISON FOR FRAUDULENTLY
SELLING BRONX BUILDING FOR \$5.9 MILLION**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that MARK M. BENUN was sentenced today by United States District Judge VICTOR MARRERO to 51 months in prison for perpetrating a mortgage fraud scheme involving the sale of a \$5.9 million building on 161st Street in the Bronx. BENUN previously pleaded guilty to four counts of interstate transportation of stolen property on December 11, 2009, before United States Magistrate Judge ANDREW J. PECK.

According to the Complaint, Indictment, and statements made at BENUN's guilty plea and sentencing:

During the course of the mortgage fraud scheme, BENUN represented himself to be the owner of a company called MBM1 Owners LLC. As described below, BENUN was involved in several real estate transactions in the New York metropolitan area through which he perpetrated the fraud.

In June 2006, BENUN and a real estate company operator (the "co-purchaser") purchased a commercial property located at 67-79 E. 161st Street, near Yankee Stadium, for approximately \$9.5 million. BENUN bought the property with \$4.5 million in cash that was contributed by the co-purchaser, and a \$5 million mortgage to be paid by BENUN and the co-purchaser. The next month, BENUN and the co-purchaser obtained an additional \$700,000 mortgage from the seller, and several months after that, BENUN obtained a \$2 million line of credit from a bank, guaranteed by the co-purchaser and secured by a further mortgage on the property. BENUN held a 25 percent interest in the property; the co-purchaser held the remaining 75 percent interest.

In 2009, BENUN, purporting to be the sole owner of the property, sold it for approximately \$5.96 million to another buyer who paid \$4 million in cash and gave BENUN a note for the

remaining \$1.96 million. Shortly after the sale, BENUN sold the note for \$1.46 million. To establish his apparent sole ownership of the building, BENUN created false satisfactions of the three mortgages on the property, and a fraudulent transfer of ownership of the co-purchaser's 75 percent interest in the property to BENUN. BENUN persuaded a notary who worked across the hall from his office to notarize the forgeries, claiming that the individuals whose signatures were on the documents were stuck in traffic. Funds from the sale were traced to an account in the name of BENUN's company, MBM1 Owners LLC. Approximately \$450,000 of those funds were wired from MBM1's New York account through interstate wire transfers. In addition, BENUN withdrew approximately \$1.4 million of the proceeds from accounts he controlled and purchased gold bars in New York City.

In addition to the prison term, Judge MARRERO sentenced BENUN, 35, to three years of supervised release and ordered him to pay forfeiture in the amount of \$5.486 million.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation.

This case is being prosecuted by the Office's Complex Frauds Unit. Assistant United States Attorney CHRISTOPHER D. FREY is in charge of the prosecution.

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