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Southern District of New York*



FOR IMMEDIATE RELEASE
MARCH 26, 2010

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**PARALEGAL SENTENCED IN MANHATTAN FEDERAL COURT TO THREE
YEARS IN PRISON FOR ROLE IN MULTIMILLION-DOLLAR
MORTGAGE FRAUD AND FORECLOSURE RESCUE SCHEMES**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that MARINA DUBIN, a real estate paralegal, was sentenced yesterday to two concurrent three-year prison sentences in connection with her involvement in a multimillion-dollar, sub-prime mortgage fraud scheme and another foreclosure rescue scheme. DUBIN, 33, of Brooklyn, New York, pleaded guilty to two counts of conspiracy to commit mail, wire and bank fraud on June 12, 2008, before United States District Judge RICHARD J. HOLWELL, who also imposed the sentence yesterday in Manhattan federal court.

According to the Indictment, other documents filed in these and related cases, and statements made in court:

The Mortgage Fraud Scheme

From 2004 through January 2007, DUBIN was a paralegal who acted as the bank attorney and settlement agent for numerous loans obtained by the participants in a wide-ranging mortgage fraud scheme. The scheme was led by ALEKSANDER LIPKIN, 31, of Brooklyn, New York, and other participants included mortgage brokers and loan processors who worked at the Brooklyn mortgage brokerage firm AGA Capital NY, Inc. ("AGA Capital") and its successors, as well as real estate appraisers, loan account executives, a lawyer, straw buyers, and others. DUBIN and her co-defendants submitted loan applications containing false information and material omissions, as well as other false documentation such as bank statements, to obtain loans that otherwise would not have been funded.

During the course of the mortgage fraud scheme, AGA Capital and its successors brokered over 1,000 home mortgages and home equity loans with a total face value of at least \$200 million dollars and earned at least \$4 million in commission fees

on those loans. The various lenders defrauded by the scheme have claimed actual losses of approximately \$11.6 million on loans that have completed foreclosure.

Of the 27 defendants charged in this case (United States v. Aleksander Lipkin, et al.), 25 pleaded guilty; one of the defendants, attorney ALEXANDER KAPLAN, 35, of Brooklyn, New York, was found guilty following a jury trial and is scheduled to be sentenced on April 6, 2010.

GARRI ZHIGUN, 33, of Brooklyn, New York, who supervised the operations of AGA Capital and was LIPKIN's business partner, was sentenced on May 28, 2009, by Judge HOLWELL to 100 months in prison, three years of supervised release, and was ordered to forfeit \$2.5 million and pay approximately \$11.6 million in restitution.

The Foreclosure Rescue Scheme

From November 2003 through April 2005, MAURICE McDOWALL, 55, of Brooklyn, New York, LIPKIN and DUBIN engaged in a fraud scheme targeting homeowners whose homes, primarily in Brooklyn and Bronx, New York, were in foreclosure or facing foreclosure, by offering them a plan to "save" their homes. The proposed plan included the refinancing of the homeowners' debt with new, larger mortgages. Because the distressed homeowners typically had poor credit and were not eligible to refinance their debt at favorable terms, the defendants induced them to "sell" their homes to straw buyers, who would apply for loans to be used to "save" the home. The defendants promised that once the straw buyer obtained the mortgage, the proceeds would be used to pay off the homeowners' old debt and make one year's worth of payments on the new loans. The homeowners were told that, during that year, they could continue to live in their homes and work on improving their finances and credit. Finally, the defendants explained to the homeowners that, at the end of the year, the title to their homes would be returned to them by the straw buyers, with their credit repaired and their homes saved. There were also cases in which the defendants did not explain to homeowners that the plan to "save" their home required them to deed their house to a third party and did not obtain permission to deed the homes to others. In such cases, the defendants effectively stole the property of the homeowners by forging the homeowners' signatures on various documents that transferred the homes to straw buyers without the homeowners' knowledge.

McDOWALL, who directed the daily operations of the scheme, and LIPKIN, a mortgage broker who coordinated the

submission of fraudulent information to lenders on behalf of straw buyers, obtained more than 80 home mortgages and/or equity loans valued at over \$20 million. In some instances, the defendants failed to make even one payment on the loans, causing the loans to default immediately; in nearly every other case, they eventually failed to make the payments and defaulted on the loans, thereby "cashing out" on the properties. As a result, the distressed homeowners lost the titles to their homes and faced eviction, the straw buyers owed the lenders hundreds of thousands of dollars that they were unable to repay, and the lenders suffered losses from the defaulted loans.

DUBIN served as the settlement agent for the vast majority of the fraudulent loans obtained in the course of the scheme. In that capacity, she organized closings, prepared documents, and disbursed the fraudulently obtained proceeds to various defendants.

McDOWALL was previously sentenced by United States District Judge ROBERT P. PATTERSON to 120 months in prison and three years of supervised release, with 100 hours of community service to be performed in the first year after release. In addition, Judge PATTERSON ordered McDOWALL to forfeit \$2.5 million.

Of the three other defendants charged in this case, one pleaded guilty and the other two were found guilty on charges of conspiracy, wire fraud, and bank fraud, following a 12-day jury trial in Manhattan federal court.

LIPKIN was sentenced by Judge HOLWELL for his role in both the mortgage fraud scheme and the foreclosure rescue scheme (United States v. Maurice McDowall, et al.) on June 4, 2009, to 110 months in prison, five years of supervised release, and was ordered to forfeit \$7 million and pay approximately \$11.6 million in restitution.

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In addition to the 36-month prison term, DUBIN was sentenced to 3 years of supervised release. Judge HOLWELL also ordered DUBIN to forfeit \$7 million and pay approximately \$11.6 million in restitution.

Mr. BHARARA praised the work of the Federal Bureau of Investigation, the New York City Police Department, and the Department of Homeland Security's U.S. Immigration and Customs Enforcement. He also thanked the New York State Attorney

General's Office for its role in the investigation.

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 prosecuted by the Office's Organized Crime Unit. Assistant United States Attorneys JONATHAN B. NEW, AVI WEITZMAN, JULIAN J. MOORE, and JOHN T. ZACH are in charge of the prosecutions.

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