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THIRTEEN CHARGED WITH MORTGAGE FRAUD RUN OUT OF ISLIP, NEW YORK, MORTGAGE BROKERAGE FIRM BRIDGEWATER FUNDING, LLC

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, JOSEPH M. DEMAREST JR., the Assistant Director-in-Charge of the Federal Bureau of Investigation's New York Field Division ("FBI"), BRIAN G. PARR, the Special Agent-in-Charge of the New York Field Office of the United States Secret Service ("USSS"), JON T. RYMER, the Inspector General of the Federal Deposit Insurance Corporation ("FDIC-OIG"), and RONALD J. VERROCHIO, the Inspector-in-Charge of the New York Division of the United States Postal Inspection Service ("USPIS"), announced today the unsealing of a 15-count Indictment charging MICAH MEYERS, STEPHEN CAPUTO, DAWN HUGHES, FNU LNU, a/k/a "Eddie Garcia," JAKOB GEARWAR, BRIAN URRARO, MICHAEL DIDIO, DANIEL HAMPTON, JENNIFER MOSCHITTA, VICTOR AVENDANO, ADRIAN AVENDANO, JANET MCGUINNESS, and LIAM LEAVEY in

connection with their roles in a sub-prime mortgage fraud scheme involving dozens of mortgages, totaling more than \$10 million, on residential properties in Long Island and the New York City area.

According to the Indictment filed in Manhattan federal court:

From 2005 through 2007, the defendants, many of whom were employees of the Islip, N.Y., mortgage brokerage firm Bridgewater Funding, LLC, targeted residential properties, generally in the \$200,000 to \$500,000 range, in Long Island and the New York City area. In some instances, the defendants targeted properties whose homeowners were facing foreclosure, and fraudulently convinced them that selling their properties to the defendants would be a way to pay off their debts and "save" their homes. In other instances, the defendants identified target properties they believed could be resold quickly, or "flipped." To purchase the properties, the defendants, either directly or in the name of straw purchasers, submitted mortgage loan applications that contained false information regarding, for example, the applicant's creditworthiness and intention to live in the residence. The loans thereby obtained typically exceeded the actual purchase price of the property, producing a "spread" from which the defendants profited. Straw purchasers, who were recruited via payment of substantial fees, promises of investment profits, and otherwise, were told not to worry about mortgage payments because the defendants would make the payments for several months and thereafter repurchase and/or resell the property. In fact, the defendants often failed to make mortgage payments, causing certain affected straw buyers to go into default on their mortgages.

As a result, mortgage lenders were forced either to foreclose on those properties or to re-purchase the properties from the straw buyers for less than the face amount of the loan. This often left the original homeowner (who had been promised that selling his or her home would be a way to "save" it) facing eviction. In other instances, the defendants rented the property to tenants and used the rent and other monies earned from the scheme to make mortgage payments on behalf of the straw buyers for a certain period of time before allowing the mortgages to go into default. In other instances, the defendants made mortgage payments for several months before "flipping" the property to yet another straw purchaser -- who fraudulently obtained a new mortgage with the defendants' assistance, restarting the fraudulent scheme.

MICAH MEYERS, 30, of East Islip, New York, JAKOB GEARWAR, 30, of Brightwaters, New York, and FNU LNU, a/k/a "Eddie Garcia," were loan officers employed by Bridgewater, who supervised and coordinated the recruitment of straw buyers and the submission of fraudulent loan applications and other documents to the lenders.

BRIAN URRARO, 31, of Oakdale, New York, was the office manager of Bridgewater, who supervised the loan officers and assisted them in submitting fraudulent loan applications and other documents to the lenders.

MICHAEL DIDIO, 27, of Bellport, New York, was a loan processor at Bridgewater, who assisted loan officers in submitting fraudulent loan applications and other documents to the lenders. DIDIO also acted as a straw buyer by signing and submitting fraudulent loan applications and other documents to lenders in order to obtain home mortgage loans for multiple properties within a short period of time.

DANIEL HAMPTON, 40, of North Babylon, New York, falsely verified to mortgage lenders the employment information for certain straw buyers. HAMPTON also recruited individuals to act as straw buyers for the fraudulent scheme.

STEPHEN CAPUTO, 54, of East Setauket, New York, and DAWN HUGHES, 37, of Lindenhurst, New York, acted as the buyers' attorney, sellers' attorney, and/or settlement attorney for fraudulent transactions. CAPUTO and HUGHES knowingly assisted in closing fraudulent mortgage loans and making payments that were not disclosed to the lenders, in furtherance of the fraudulent scheme.

VICTOR AVENDANO, 62, of Lindenhurst, New York, ADRIAN AVENDANO, 30, of Lindenhurst, New York, JENNIFER MOSCHITTA, 26, of East Islip, New York, JANET MCGUINNESS, 31, of Lindenhurst, New York, and LIAM LEAVEY, 30, of Lindenhurst, New York, acted as straw buyers by signing and submitting fraudulent loan applications and other documents to lenders in order to obtain home mortgage loans for multiple properties within a short period of time, among other things.

The defendants are charged in the Indictment with each of the following counts and face the following potential maximum penalties, per count:

Count	Charge	Defendants	Potential Penalties
1	Conspiracy to commit bank fraud and wire fraud	MICAH MEYERS, STEPHEN CAPUTO, DAWN HUGHES, FNU LNU, a/k/a "Eddie Garcia," JAKOB GEARWAR, BRIAN URRARO, MICHAEL DIDIO, DANIEL HAMPTON, JENNIFER MOSCHITTA, VICTOR AVENDANO, ADRIAN AVENDANO, JANET MCGUINNESS, LIAM LEAVEY	Maximum sentence of 30 years in prison, and fine of the greater of \$1,000,000, or twice the gross gain or loss resulting from the crime
2	Bank fraud	MICAH MEYERS, MICHAEL DIDIO, JENNIFER MOSCHITTA	Maximum sentence of 30 years in prison, and a fine of the greater of \$1,000,000, or twice the gross gain or loss resulting from the crime
3	Wire fraud	MICAH MEYERS, STEPHEN CAPUTO, JANET MCGUINNESS	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime
4	Bank fraud	FNU LNU, a/k/a "Eddie Garcia," JENNIFER MOSCHITTA	Maximum sentence of 30 years in prison, and a fine of the greater of \$1,000,000, or twice the gross gain or loss resulting from the crime
5	Bank fraud	MICAH MEYERS, JANET MCGUINNESS	Maximum sentence of 30 years in prison, and a fine of the greater of \$1,000,000, or twice the gross gain or loss resulting from the crime
6	Wire fraud	MICAH MEYERS, STEPHEN CAPUTO, DANIEL HAMPTON	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime

Count	Charge	Defendants	Potential Penalties
7	Wire fraud	MICAH MEYERS, LIAM LEAVEY	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime
8	Wire fraud	MICAH MEYERS, LIAM LEAVEY	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime
9	Wire fraud	MICAH MEYERS, STEPHEN CAPUTO, DAWN HUGHES, VICTOR AVENDANO	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime
10	Wire fraud	MICAH MEYERS, MICHAEL DIDIO	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime
11	Wire fraud	MICAH MEYERS, MICHAEL DIDIO, STEPHEN CAPUTO	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime
12	Wire fraud	MICAH MEYERS, MICHAEL DIDIO, STEPHEN CAPUTO	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime
13	Wire fraud	JAKOB GEARWAR	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime

Count	Charge	Defendants	Potential Penalties
14	Wire fraud	JENNIFER MOSCHITTA, ADRIAN AVENDANO	Maximum sentence of 20 years in prison, and a fine of the greater of \$250,000, or twice the gross gain or loss resulting from the crime
15	Bank fraud	MICAH MEYERS, VICTOR AVENDANO	Maximum sentence of 30 years in prison, and a fine of the greater of \$1,000,000, or twice the gross gain or loss resulting from the crime

MICAH MEYERS, STEPHEN CAPUTO, DAWN HUGHES, JAKOB GEARWAR, BRIAN URRARO, MICHAEL DIDIO, JENNIFER MOSCHITTA, VICTOR AVENDANO, ADRIAN AVENDANO, LIAM LEAVEY were arrested and JANET MCGUINNESS and DANIEL HAMPTON surrendered this morning. The defendants will be presented later today before United States Magistrate Judge FRANK MAAS in Manhattan federal court. FNU LNU, a/k/a "Eddie Garcia," remains at large. This case has been assigned to United States District Judge DEBORAH A. BATTS.

Mr. DASSIN praised the work of the FBI, USSS, FDIC-OIG, and USPIS. He also thanked the New York State Banking Department for their outstanding work in the investigation.

Assistant United States Attorneys MARK D. LANPHER and JULIAN J. MOORE are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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