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**MANHATTAN U.S. ATTORNEY CHARGES TWELVE
IN MASSIVE MORTGAGE FRAUD SCHEME**

Corrupt Mortgage Brokers, Loan Officers, And Attorneys
Fraudulently Obtained Nine Million Dollars
Worth Of Residential Mortgages

PREET BHARARA, the United States Attorney for the Southern District of New York, ANDREW CUOMO, the Attorney General of the State of New York, JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Field Division of the Federal Bureau of Investigation ("FBI"), RICHARD H. NEIMAN, the Superintendent of Banks for New York State, BRIAN G. PARR, the Special Agent-in-Charge of the New York Field Office of the United States Secret Service ("USSS"), 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 seven-count Indictment charging 12 individuals -- including mortgage brokers, loan officers, and attorneys -- with engaging in a scheme to defraud various lending institutions by using fictitious identities and documents to obtain more than \$9 million in residential mortgages. All 12 defendants were arrested this morning and are expected to be presented in federal court later today.

As alleged in the Indictment filed in Manhattan federal court:

The defendants and their co-conspirators purchased dozens of residential properties throughout New York City and Long Island with fraudulent mortgages. These mortgages, which amounted to 100 percent of the purchase price of the residences, were obtained using names of fictitious individuals or individuals whose identification information was misappropriated or misused.

To facilitate the fraud, the defendants provided the lending institutions with false identification documents, such as false driver's licenses and social security cards; false employment, income, and rental information; and fraudulent bank statements. Most of the loans are now in default.

Roles In The Mortgage Fraud Scheme

The defendants are alleged in the Indictment to have played the following roles in the mortgage fraud scheme:

JEFFREY LAROCHELLE, 29, of Bay Shore, New York, processed loans through Reliable Capital, a mortgage brokerage firm. LAROCHELLE identified target properties, supervised and coordinated the creation of false information for straw identities and the submission of fraudulent loan applications and other documents to lenders, and coordinated the activities of other co-conspirators.

ERIC FINGER, 44, an attorney from Mineola, New York, acted as the settlement agent on behalf of the lender in connection with closings on many of the target properties. Among other things, FINGER made payments from mortgage loan proceeds to other members of the conspiracy and hid the true disbursements of the loan proceeds from lenders by preparing false mortgage documents.

DENISE PARKS, 43, of Olive Branch, Mississippi, processed loans through Atlas Home Equities. PARKS prepared

fraudulent mortgage loan applications and falsely verified the employment and residential information for various straw identities.

FORIDUZZAMAN SARDER, 40, of Jackson Heights, New York, coordinated the use of various straw identities to buy homes with residential mortgage loans. SARDER gave his contact information to mortgage brokers and mortgage lenders to provide verification of the loan application information of certain straw identities.

SAKAT HOSSAIN, 43, of Jackson Heights, New York, posed as several different straw identities purportedly buying various target properties. In exchange for posing as the straw identities, HOSSAIN received payments from the loan proceeds.

MIKAEL HUQ, 34, of Astoria, New York, among other things, created false identification documents in the names of straw identities for use at closings for target properties.

REGINALD JOHNSON, 36, of St. Albans, New York, controlled the Hempstead office of Reliable Capital. Among other things, JOHNSON prepared fraudulent mortgage loan applications and falsely verified the employment and/or residential information submitted in connection with the applications.

FREDERICK WARREN, 35, of Miller Place, New York, processed loans through Reliance Capital and other brokers. WARREN prepared and processed fraudulent mortgage loan applications and participated in identifying target properties.

DORIAN BROWN, 36, of Mount Sinai, New York, was a loan officer at Lend America, a mortgage lender and broker located in Long Island, New York. BROWN identified target properties, processed fraudulent mortgage loan applications, and coordinated the use of the false identities.

FRITZ BONAVENTURE, 28, of Lithonia, Georgia, was an independent contract employee at Lend America. BONAVENTURE identified target properties, coordinated the use of false identities and fraudulent identification documents, and provided information about the straw identities to mortgage brokers, loan officers and loan processors.

JOELL BARNETT, 36, an attorney from Brooklyn, New York, acted as either the buyer's or seller's attorney in connection with the sale of some of the target properties. BARNETT, among other things, received payments from the loan proceeds which were

not disclosed to lenders and disbursed those funds to other members of the conspiracy.

BRANDON LISI, 36, an attorney from Glen Cove, New York, prepared sale contracts for the purchase of target properties and procured straw buyers to act as purchasers for target properties.

The Charges

The charges contained in the Indictment include one count of conspiracy to commit bank fraud and wire fraud, one count of bank fraud, and five counts of wire fraud. A chart of the charges contained in the Indictment and the corresponding maximum potential penalties for each defendant is attached to this press release.

Of the 12 defendants arrested earlier today, LAROCHELLE, FINGER, SARDER, HOSSAIN, HUQ, JOHNSON, WARREN, BROWN, BARNETT, and LISI are expected to be presented in Manhattan federal court later today. BONAVENTURE and PARKS are expected to be presented in federal court in the Northern District of Georgia and the District of Mississippi, respectively.

The filing of the charges is the culmination of a long-term investigation conducted by the United States Attorney's Office for the Southern District of New York, the New York State Attorney General's Office, the New York State Banking Department's Criminal Investigations Bureau, the FBI, the USSS, and the USPIS. Valuable assistance also was provided by Department of Homeland Security's United States Immigration and Customs Enforcement, the New York State Department of Motor Vehicles, the New York City Department of Probation, and the Social Security Administration.

Mr. BHARARA thanked all of the federal, state, and local law enforcement agencies involved in the investigation for their outstanding work. He added that the investigation is continuing.

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"The U.S. economy is still reeling from the damage done by mortgage fraud schemes like the one unraveled today. These charges expose the corrupt conduct of industry insiders who allegedly manipulated the mortgage markets to fraudulently obtain millions in loans. What is especially disturbing is that two of the alleged fraudsters were attorneys who used their law degrees to cheat the system and line their pockets. We will continue to

prosecute corrupt custodians of the mortgage markets to the full extent of the law because our financial system depends on it," said PREET BHARARA, the United States Attorney for the Southern District of New York.

"This is exactly the type of criminal activity that was caused by - and contributed to - the terrible mortgage crisis facing our nation. These defendants were allegedly able to obtain millions of dollars in home loans for phantom buyers precisely because obtaining these loans was far too easy at the time. As we work to reform our nation's mortgage regulation, law enforcement must continue to collaborate to ensure that those who exploited the system for their personal financial gain are brought to justice," said ANDREW CUOMO, the Attorney General of the State of New York

"The scheme alleged in the indictment is a model of vertical integration. There were corrupt participants at each step of the mortgage process, from buyers to lenders to lawyers. The one obvious flaw in their scheme was that they got caught," said JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Field Division of the Federal Bureau of Investigation.

"This multifaceted mortgage fraud scheme represents one of the most egregious types of criminal behavior since it involves attorneys and brokers who, instead of being the gatekeepers that protect our financial system, abused their positions and joined a conspiracy to steal millions of dollars. I am proud of the outstanding work the Banking Department's Criminal Investigation Bureau has performed since the inception of this investigation and thank the SDNY, FBI and NYSAG's office and our other law enforcement partners that worked with us on this investigation," said RICHARD H. NEIMAN, the Superintendent of Banks for New York State.

"Mortgage fraud is a continuing threat to our nation's financial system, compromising the identities of ordinary citizens. The Secret Service is committed to investigating these types of crimes, utilizing strong interagency partnerships, in order to bring these perpetrators to justice," said BRIAN G. PARR, the Special Agent-in-Charge of the New York Field Office of the United States Secret Service.

"The Postal Inspectors will aggressively pursue these cases to ensure public confidence in the mortgage financial markets," said RONALD J. VERROCHIO, the Inspector-in-Charge of

the New York Division of the United States Postal Inspection Service.

Assistant United States Attorneys MICHAEL D. LOCKARD and RYAN P. POSCABLO, and Assistant Attorney General MERYL LUTSKY -- who is designated as a Special Assistant U.S. Attorney in this case -- 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.

09-331

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United States v. Jeffrey Larochele, et al.

Ct	Charge	Defendants	Maximum Penalties
1	Conspiracy to Commit Bank Fraud and Wire Fraud	JEFFREY LAROCHELLE, ERIC FINGER, FRITZ BONAVENTURE, FORDIUZZAMAN SARDER, SAKAT HOSSAIN, MIKAEL HUQ, DENISE PARKS, REGINALD JOHNSON, FREDERICK WARREN, DORIAN BROWN, JOELL BARNETT, BRANDON LISI	30 years in prison; fine of \$1,000,000 or twice the gross gain or loss; and restitution
2	Bank Fraud	JEFFREY LAROCHELLE, ERIC FINGER	30 years in prison; fine of \$1,000,000 or twice the gross gain or loss; and restitution
3	Wire Fraud	JEFFREY LAROCHELLE, ERIC FINGER, REGINALD JOHNSON	20 years in prison; fine of \$250,000 or twice the gross gain or loss; and restitution
4	Wire Fraud	JEFFREY LAROCHELLE, ERIC FINGER, SAKAT HOSSAIN, DENISE PARKS, REGINALD JOHNSON	20 years in prison; fine of \$250,000 or twice the gross gain or loss; and restitution
5	Wire Fraud	JEFFREY LAROCHELLE, ERIC FINGER	20 years in prison; fine of \$250,000 or twice the gross gain or loss; and restitution
6	Wire Fraud	JEFFREY LAROCHELLE, ERIC FINGER, FORDIUZZAMAN SARDER, FREDERICK WARREN	20 years in prison; fine of \$250,000 or twice the gross gain or loss; and restitution
7	Wire Fraud	SAKAT HOSSAIN, DORIAN BROWN	20 years in prison; fine of \$250,000 or twice the gross gain and loss; and restitution