

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. 10- _____
v.	:	DATE FILED: _____
HENRY RUBY	:	VIOLATIONS:
	:	18 U.S.C. § 1343 (wire fraud - 1 count)
	:	18 U.S.C. § 1010 (false statements to the United States Department of Housing and Urban Development - 1 count)
	:	18 U.S.C. § 2 (aiding and abetting)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

The Defendant

At all times material to this information:

1. Defendant HENRY RUBY owned and operated a mortgage brokerage company, Primetime Mortgage Services (“Primetime Mortgage”), in Philadelphia, Pennsylvania.
2. Defendant HENRY RUBY was familiar with the procedures for obtaining mortgage loans and helped individuals obtain mortgage loans to purchase houses. Defendant RUBY’s duties and responsibilities included, among other things: (a) assisting customers in completing mortgage loan application; (b) gathering information about customers’ income, employment history, assets, and financial obligations, and (c) locating a mortgage lending company that would be willing to provide financing for the customers. Defendant RUBY collected the financial and other information from these customers and compiled it into loan application packages which defendant RUBY sent to mortgage lending companies for review. The mortgage lending companies relied on the truthfulness and accuracy of the information

provided by defendant RUBY in the mortgage loan packages, and used this information to determine whether they would provide financing to potential borrowers.

The Scheme

3. From at least in or about 2006, through in or about 2009, defendant

HENRY RUBY

devised and intended to devise a scheme to defraud lenders and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

4. Defendant HENRY RUBY prepared and submitted, and assisted in preparing and submitting, to mortgage lenders and other lenders falsified documents, including falsified tax returns, employment records, pay stubs, rental verifications, and appraisals, in support of applications for loans for himself and others.

5. In or about May 2006, defendant HENRY RUBY obtained a mortgage loan and purchased property on Bayview Road, in Betterton, Maryland.

6. In or about May 2006, in order to obtain the mortgage loan on the property on Bayview Road, in Betterton, Maryland, defendant HENRY RUBY assisted in preparing and submitting to the mortgage lender a false appraisal of the property which inflated its value.

7. In or about November 2006, defendant HENRY RUBY obtained a mortgage loan and purchased a property on Sunflower Way, in Huntingdon Valley, Pennsylvania, under the name of a straw purchaser, "R.B."

8. In or about November 2006, in order to obtain the mortgage loan on the property on Sunflower Way, defendant HENRY RUBY prepared and submitted, and assisted in preparing and submitting, to the mortgage lender false documentation that "R.B." was the purchaser, falsely inflated income information of "R.B.," and an false appraisal of the property which inflated its value.

9. In or about May 2007, in Philadelphia, Pennsylvania, during an undercover operation, defendant HENRY RUBY assisted Cecelia Nedd, charged elsewhere, in preparing a fraudulent letter from Wachovia Bank, which stated that \$44,500.69 was on deposit in a Wachovia Bank account in the name of "R.M.," knowing that Nedd did not work at Wachovia Bank at the time she prepared the letter, that these funds were not on deposit in the Wachovia Bank account, and that "R.M." intended to submit the fraudulently prepared letter to a lender in an application for a mortgage loan.

10. In or about April 2008, in order to obtain a mortgage loan modification on the property on Bayview Road, defendant HENRY RUBY assisted in preparing and submitting to the mortgage lender false tax returns for defendant RUBY.

11. In or about August 2008, defendant HENRY RUBY modified the mortgage loan on the property on Bayview Road, in Betterton, Maryland.

12. In or about August 2008, defendant HENRY RUBY assisted Cecelia Nedd in obtaining a loan to purchase a 2004 BMW, by preparing and assisting in submitting to the lender false pay stubs for Nedd.

13. In or about November 2008, defendant HENRY RUBY assisted “Y.W.” in obtaining a loan to purchase a 2006 Mercedes Benz, by preparing and assisting in submitting to the lender false pay stubs for “Y.W.”

14. In or about February 2009, defendant HENRY RUBY assisted “R.R.” in obtaining a loan modification on a property on Stonebridge Drive, in Lumberton, New Jersey, by assisting in preparing and submitting to the mortgage lender false tax returns for “R.R.”

15. From in or about July 2007, to in or about February 2009, during an undercover operation in which undercover agents posed as a seller and a purchaser of real estate, defendant HENRY RUBY prepared and assisted in preparing falsified records for “J.L.,” and defendant RUBY submitted these falsified documents to a mortgage lender to assist “J.L.” in obtaining a mortgage in the purchase of property on Dorel Street, in Philadelphia, Pennsylvania. These false documents included false employment verification records, false pay stubs, false bank statements, false rental verification, and false tax returns for “J.L.”

16. From in or about July 2007, to in or about February 2009, during an undercover operation in which undercover agents posed as a seller and a purchaser of real estate, defendant HENRY RUBY prepared and assisted in preparing falsified records for “G.D.,” with the intent that defendant RUBY submit these falsified documents to a mortgage lender to assist “G.D.” in obtaining a mortgage in the purchase of property on Stenton Avenue, in Philadelphia, Pennsylvania. These false records included false employment verification records, false pay stubs, false bank statements, and false tax returns for “G.D.”

17. On or about February 13, 2009, in the Eastern District of Pennsylvania, and elsewhere, defendant

HENRY RUBY,

for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce signals and sounds, that is, \$101,188.43 was wired from JP Morgan Chase Bank in Delaware, to Commerce Bank in New Jersey, such funds to be used at the real estate closing for the property on Dorel Street, in Philadelphia, Pennsylvania.

All in violation of Title 18, United States Code, Section 1343.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraph 1 of Count One is incorporated here.
2. The United States Department of Housing and Urban Development (“HUD”) was a department of the United States government that administered the Single Family Mortgage Insurance Program to encourage private lenders to provide mortgage loans to home buyers.
3. The Federal Housing Administration (“FHA”) was the agency within HUD that administered HUD’s mortgage insurance program. For this reason, the loans in the program are often referred to as “FHA-insured loans.”
4. Under HUD’s insurance program, FHA-insured home mortgages that private lenders provided to borrowers, thereby protecting the lenders from any loss in the event that the borrower defaulted on the loan.
5. By this means, HUD shifted the financial risk of issuing its insured mortgages from the lender to the taxpayers.
6. HUD had rules, regulations, and guidelines governing the minimum requirements in the documentation of every mortgage loan transaction that was to be FHA-insured.
7. The accuracy and truthfulness of the information contained in the documentation underlying an FHA-insured mortgage loan transaction was vital. Such information was used in the underwriting process, a process that assessed the risk that the loan will go into foreclosure. Both the lenders and HUD relied on that information in determining

whether a loan was to be FHA-insured. Included among the information that the lender and HUD relied on were the borrower's employment, income, assets and expenses. Should such information be inaccurate or untruthful, then the underwriting process was undermined. Any assessment of the risk of the loan's going into foreclosure would be based on false and inaccurate information. Such an assessment would deny FHA the opportunity to protect taxpayer funds by an accurate evaluation of the mortgage application.

8. On or about February 12, 2009, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

HENRY RUBY,

for the purpose of obtaining a loan and with the intent that such loan be offered and accepted by HUD for insurance, knowingly made, and aided and abetted the making of, false statements, as described below, in that the defendant caused to be submitted, and aided and abetted the submission of, false documents to HUD, with regard to a mortgage loan for a property on Dorel Street, in Philadelphia, Pennsylvania, that is, false employment verification records, false pay stubs, false bank statements, false rental verification, and false tax returns.

All in violation of Title 18, United States Code, Sections 1010 and 2.

ZANE DAVID MEMEGER
United States Attorney