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

UNITED STATES OF AMERICA	:	CRIMINAL NO. 10-_____
v.	:	DATE FILED:_____
CALVIN HARRIS JONATHAN GANZ	: :	VIOLATIONS: 18 U.S.C. § 1343 (wire fraud - 2 counts) 18 U.S.C. § 2 (aiding and abetting) Notice of forfeiture

INFORMATION

COUNTS ONE AND TWO

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant CALVIN HARRIS operated a business called the Philadelphia Home Improvement Outreach Program ("PHIOP"), which purported to provide home improvement services for homeowners.

2. Defendant JONATHAN GANZ was a loan officer at a mortgage company in the Philadelphia area.

THE SCHEME

3. From in or about October 2003 to in or about April 2006, defendants

CALVIN HARRIS and
JONATHAN GANZ

devised and intended to devise, and aided and abetted the devising of, a scheme to defraud mortgage lenders and homeowners, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

4. It was part of the scheme that defendant CALVIN HARRIS made false and misleading representations to homeowners to induce them to agree to enter into home improvement transactions with PHIOP. Then, with the help of defendant JONATHAN GANZ, defendant HARRIS obtained mortgages to finance those transactions using false financial documents and misused the mortgage proceeds.

It was further part of the scheme that:

5. Defendant CALVIN HARRIS started PHIOP in or about 2003.

6. Defendant CALVIN HARRIS marketed PHIOP's services to the African-American community in Philadelphia, particularly individuals who were lower income or of limited means. Defendant HARRIS told customers that they could finance home improvement work by getting loans. Defendant HARRIS intended that the financing for the work would come from mortgage loans on the customers' houses. Defendant HARRIS did not do the work himself, but contracted that work out.

7. Defendant CALVIN HARRIS enlisted defendant JONATHAN GANZ to obtain mortgages for PHIOP customers.

Defendant Harris's Misuse of Homeowners' Money

8. Defendant CALVIN HARRIS did not properly capitalize PHIOP and it did not have sufficient funds to do the promised home improvement work.

9. Prior to starting PHIOP, defendant CALVIN HARRIS had entered into several real estate transactions which failed, leaving him with large debts. Even though he had promised to use funds to pay for home improvement projects, defendant HARRIS siphoned off a

portion of the proceeds from PHIOP customers to pay his debts from these prior real estate transactions and to pay for personal extravagances, such as clothes, expensive cars, family vacations, and trips to Atlantic City.

10. Because PHIOP was chronically short of funds, to continue operating, defendant CALVIN HARRIS continually recruited new customers. Defendant HARRIS used the money generated by the new customers to pay for home improvement work of other customers. Even though he knew otherwise, defendant HARRIS falsely promised new clients that he would use their money for work on their house and concealed from them that he intended to use this money to pay for home improvements for other customers and to pay his personal expenses.

11. Defendant CALVIN HARRIS entered into contracts with customers that gave defendant HARRIS power of attorney over loan proceeds obtained to finance the promised home improvement work. Defendant HARRIS abused this power of attorney by siphoning off loan proceeds by endorsing and cashing checks made out to his customers. Defendant HARRIS convinced the title company handling the loan settlements for PHIOP customers to give him customer's checks representing the loan proceeds. Defendant HARRIS would then use the funds to pay for other projects and his personal expenses.

12. To conceal the fact that he was diverting loan proceeds, defendant CALVIN HARRIS falsely told customers that their money was put into "escrow" or that he would not use their money to pay the contractors until work had been completed. Based on these false statements by defendant HARRIS, customers believed that the work on their house would be done and that their money was safe, even though work would be delayed. By these false

statements defendant HARRIS gained additional time to convince new customers to obtain loans which defendant HARRIS then used to pay for work for other customers.

False Statements in Loan Transaction Documents

13. Because many PHIOP customers did not have sufficient income or credit to qualify for loans, defendants CALVIN HARRIS and JONATHAN GANZ made false statements in loan applications and created false documents in support of these applications. In transactions involving PHIOP customers J.B., B.G., and J.P., defendant GANZ prepared false income and/or employment verification documents, such as W-2s and pay stubs. After providing these false documents to lenders, defendant GANZ arranged for owners of the companies named in the false documents to falsely tell lenders that borrowers worked at the companies.

14. Defendants CALVIN HARRIS and JONATHAN GANZ also entered into fraudulent property transfers to obtain loans. Defendants HARRIS and GANZ arranged for properties owned by PHIOP customers A.B., C.D., and W.J. to be fraudulently transferred to defendant GANZ's mother. Defendants HARRIS and GANZ then arranged for defendant GANZ's mother to obtain mortgages to "purchase" the properties. The proceeds of the equity in the properties went to PHIOP purportedly to finance home improvements. PHIOP'S customers remained in the properites, but paid rent to PHIOP, which, in turn, paid the mortgages defendant GANZ's mother obtained. Defendants HARRIS and GANZ misrepresented the nature of the transaction to some of the customers and did not disclose that the title to the property had been transferred to defendant GANZ's mother.

15. Also, closing documents for these transactions falsely reflected that defendant JONATHAN GANZ's mother brought cash to the closings. To make it appear that

she did, defendant CALVIN HARRIS took part of the proceeds of the sale and obtained cashier's checks from a check casher. Then, defendant HARRIS gave those cashier's checks to the closing agent as proof that defendant GANZ's mother invested cash. Defendants HARRIS and GANZ concealed the fact that defendant GANZ's mother did not invest cash and that the original homeowner entered into an agreement with defendant GANZ's mother to purchase the property back at a later date.

Cashing Loan Proceeds Checks Meant to Pay Third-Party Debts

16. In at least 16 PHIOP transactions, defendant CALVIN HARRIS fraudulently cashed checks drawn on the loan proceeds and intended to be used to pay the borrower's debts, including to the City of Philadelphia, utility companies, or credit card companies. At the closings, these checks were made out to the creditors to insure that the debts were paid and the mortgage lender was in first lien position. Defendant HARRIS believed that he was not getting enough money from the transactions. So, he took these checks, brought them to a check casher, cashed the checks, and kept the money for himself; the creditors were never paid. Defendant HARRIS concealed from his customers his theft of these checks.

Impact of Scheme

17. As a result of the scheme, defendants CALVIN HARRIS and JONATHAN GANZ caused a loss of at least several hundred thousand dollars. Further, many homeowners did not get the repairs as promised and most work that was completed was shoddy and substandard. Likewise, PHIOP customers who obtained mortgages to finance the home repairs were required to repay these mortgages even though they did not receive the promised

improvements and defendants HARRIS and GANZ submitted false financial documents on their behalf.

18. On or about each of the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere, defendants

CALVIN HARRIS and
JONATHAN GANZ,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DEFENDANT(S)	PROPERTY	DESCRIPTION
1.	CALVIN HARRIS JONATHAN GANZ	1840 Brunner Street, Philadelphia, PA	On or about April 6, 2005, $40,376.00 wired from an account held by Wells Fargo in Iowa, through the Federal Reserve Bank in New York, to a bank account in Pennsylvania, such funds to be used at a real estate closing
2.	CALVIN HARRIS	2551 N. 16th Street, Philadelphia, PA	On or about May 6, 2005, $47,380.00 wired from an account held by Wells Fargo in Iowa, through the Federal Reserve Bank in New York, to a bank account in Pennsylvania, such funds to be used at a real estate closing

All in violation of Title 18, United States Code, Sections 1343 and 2.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1343, set forth in this information, defendants

CALVIN HARRIS and
JONATHAN GANZ

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offenses.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

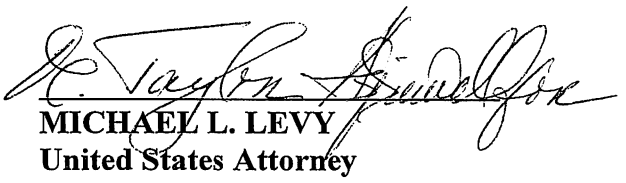
(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant(s) up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C).



MICHAEL L. LEVY
United States Attorney