

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.  
v. : Crim. No. 11-  
JORGE ABBUD : 18 U.S.C. §§ 1343 and 2

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

THE DEFENDANT AND OTHER PARTIES

1. At all times relevant to this Information, defendant Jorge Abbud resided in Dover, New Jersey, and was an employee of a Parsippany, New Jersey, mortgage lender.

Mortgage Lending Generally

2. Mortgage loans are loans funded by banks, mortgage companies and other institutions ("lenders") to enable borrowers to finance the purchase of real estate. In deciding whether the borrowers meet the lenders' income, credit eligibility and down payment requirements, the lenders are supposed to evaluate the financial representations set forth in loan applications and other documents from the borrowers and assess the value of the real estate that will secure the loan.

3. A common type of mortgage loan is issued in connection with an insurance program administered by the Federal Housing Administration ("FHA"), which is a division of the United States Department of Housing and Urban Development ("HUD"), an agency of the United States. The FHA encourages designated

lenders to make mortgage loans to qualified borrowers by protecting against loan defaults through a government-backed payment guarantee if the borrower defaults on a mortgage loan. When lenders process an application for an FHA-insured mortgage loan, they use a system called "FHA Connection" that provides internet access to data residing in HUD's computer systems. HUD maintains these computer systems outside of New Jersey. Another common type of mortgage loan is called the "conventional" mortgage loan. Lenders underwrite and fund conventional mortgage loans using their own funds and credit lines. After funding the conventional mortgage loans, the lenders can either service the loans during the mortgage loan period or sell the loans to institutional investors in the secondary market.

#### THE SCHEME TO DEFRAUD

4. From at least as early as in or about January 1, 2008, through in or about March 31, 2008, in Union County, in the District of New Jersey, and elsewhere, defendant

JORGE ABBUD

did knowingly and intentionally devise a scheme and artifice to defraud and to obtain money and property from mortgage lenders by means of materially false and fraudulent pretenses, representations and promises, as set forth below.

5. It was part of the scheme and artifice to defraud that defendant Abbud would target homeowners in New Jersey who had equity in their homes but were facing foreclosure because of their inability to pay their monthly mortgage payments.

6. It was further part of the scheme and artifice to defraud that defendant Abbud would falsely promise to help homeowners avoid foreclosure, keep their homes, and repair their damaged credit. Specifically, defendant Abbud instructed the homeowners to permit the titles of their homes to be recorded in the names of third-party purchasers (the "straw buyers") for approximately one to three years, during which time defendant Abbud promised the homeowners that he would improve their credit scores, obtain mortgages on their behalf with more favorable interest rates, and return the titles of the homes to the homeowners.

7. It was further part of the scheme and artifice to defraud that defendant Abbud would recruit straw buyers with good credit scores to act as buyers of the homes facing foreclosure. Specifically, defendant Abbud told the straw buyers that they were helping the homeowners keep their homes, and that the straw buyers would make money when the homes were sold back to the original homeowners.

8. It was further part of the scheme and artifice to defraud that, on certain occasions, and notwithstanding defendant Abbud's promises to the homeowners and straw buyers, the homes fell into foreclosure.

9. It was further part of the scheme and artifice to defraud that, on certain occasions, defendant Abbud caused the straw buyers to falsely misrepresent their incomes in loan

applications and other documents in order to secure the loans to purchase the homes.

10. It was further part of the scheme and artifice to defraud that, on certain occasions, defendant Abbud caused the funds disbursed by the financial institution or lender underwriting the loan to be sent to individuals and entities that were not legally entitled to those funds.

11. It was further part of the scheme and artifice to defraud that, on or about January 22, 2008, as part of the sale of one of the homes targeted by defendant Abbud from a homeowner to a straw buyer, defendant Abbud caused an interstate electronic wire transfer of approximately \$93,074 to be transmitted from a Sovereign Bank account located in Wyomissing, Pennsylvania to a Wachovia Bank account controlled by defendant Abbud and located in Dover, New Jersey.

12. It was further part of the scheme and artifice to defraud that, on or about March 11, 2008, as part of the sale of one of the homes targeted by defendant Abbud from a homeowner to a straw buyer, defendant Abbud caused an interstate electronic wire transfer of approximately \$45,327 to be transmitted from a Sovereign Bank account located in Wyomissing, Pennsylvania to a Wachovia Bank account controlled by defendant Abbud and located in Dover, New Jersey.

13. In all, by the above means, defendant Abbud obtained approximately \$138,402 in illegitimate proceeds of the home sales as a result of this scheme and artifice to defraud.

14. On or about January 22, 2008, in Morris County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendant

JORGE ABBUD

did knowingly and intentionally transmit and cause to be transmitted, by means of wire communications in interstate commerce, writings, signs, signals, pictures and sounds, namely a wire transfer of approximately \$93,074 from a Sovereign Bank account located in Wyomissing, Pennsylvania to a Wachovia Bank account located in Morris County, New Jersey.

In violation of Title 18, United States Code, Section 1343 and Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in paragraphs 1 through 13 of this Information are incorporated by reference as though set forth in full herein for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461.

2. The United States hereby gives notice to defendant Abbud that, upon conviction of the offense charged in this Information, the government will seek forfeiture, in accordance with Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the violation of Title 18, United States Code, Section 1343, alleged in this Information, including but not limited to a sum of money equal to at least \$138,402 in United States currency.



PAUL J. FISHMAN  
United States Attorney

CASE NUMBER: \_\_\_\_\_

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**United States District Court  
District of New Jersey**

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UNITED STATES OF AMERICA

v.

JORGE ABBUD

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**INFORMATION FOR**

18 USC §§ 1343 and 2

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**PAUL J. FISHMAN**

*UNITED STATES ATTORNEY, NEWARK, NEW JERSEY*

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