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UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

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UNITED STATES OF AMERICA

v.

JAMES COCKINOS

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Hon. Madeline Cox Arleo

Mag. No. 13-8008 (MCA)

**CRIMINAL COMPLAINT**

I, Joseph B. Brannan, being duly sworn, state the following is true and correct to the best of my knowledge and belief. Between on or about April 19, 2007 and on or about June 19, 2007, in the District of New Jersey and elsewhere, defendant JAMES COCKINOS did

knowingly and intentionally conspire and agree with at least one other individual to execute a scheme and artifice to defraud a financial institution, specifically Washington Mutual Bank, F.A. (later acquired by JPMorgan Chase), and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of Washington Mutual Bank, F.A., by means of materially false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344,

in violation of Title 18, United States Code, Section 1349.

I further state that I am a Special Agent with the Federal Bureau of Investigation and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached page and made a part hereof.



Joseph B. Brannan, Special Agent  
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,  
February 5, 2013, at Newark, New Jersey

HONORABLE MADELINE COX ARLEO  
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

## ATTACHMENT A

I, Joseph B. Brannan, am a Special Agent with the Federal Bureau of Investigation. I am fully familiar with the facts set forth herein based on my own investigation, my conversations with law enforcement officers, and my review of reports, documents, and items of evidence. Since the complaint is being submitted for the limited purpose of establishing probable cause to believe that the defendant has committed the referenced federal offense, I have not set forth each and every fact that I have learned concerning this investigation:

1. At all times relevant to this complaint, defendant James Cockinos (defendant "COCKINOS") was the owner/president of Federated Mortgage Company of America ("FMCA") located in Edgewater, New Jersey, which served as a mortgage broker. Defendant COCKINOS also served on the Board of Directors at Mariner's Bank in New Jersey.

2. At all times relevant to this Complaint, WASHINGTON MUTUAL BANK, F.A. ("WASHINGTON MUTUAL"), a financial institution headquartered in Henderson, Nevada, with a branch office in Lake Success, New York, and other locations, offered loans and other financing arrangements, and its deposits were insured by the Federal Deposit Insurance Corporation.

3. At all times relevant to this Complaint, Individual 1 was an owner of an automobile dealership located in Englewood, New Jersey and Yonkers, New York. Individual 1 was married (hereinafter Individual 1's spouse will be referred to as "Individual 2").

4. On or about April 19, 2007, Individual 2, at the request of Individual 1, executed an FMCA Uniform Residential Loan Application (the "Application") for a loan in the amount of \$1,500,000 to purchase property located in Englewood Cliffs, New Jersey (the "Subject Property"). The purchase price of the Subject Property was \$1,900,000. At the time that Individual 2 signed the Application, Individual 2 did not review the contents of the Application, which included information regarding the purpose of the Subject Property and Individual 2's employment, income and assets. There was no co-borrower on the loan.

5. Defendant COCKINOS, through FCMA, served as the mortgage broker on the loan and was responsible for obtaining certain information from Individual 2 for purposes of completing the Application, to include, but not limited to, the purpose of the Subject Property, and Individual 2's employment information, income and assets. Defendant COCKINOS indicated in the Application that he obtained the information from Individual 2 through a face-to-face interview. Defendant COCKINOS caused FMCA to forward the Application to WASHINGTON MUTUAL which was located outside of New Jersey.

6. The Application fraudulently indicated that defendant COCKINOS had a face-to-face interview with Individual 2 to obtain the information necessary to complete the Application, to include but not limited to, the purpose of the Subject Property, and Individual 2's employment information, income and assets, when, in fact, no such interview took place.

7. The Application fraudulently indicated that the Subject Property would serve as the primary residence for Individual 2, when, in fact, Individual 2 and Individual 1 lived in their primary residence at another location, and were not purchasing the Subject Property as their primary residence.

8. The Application further fraudulently indicated that Individual 2 had been employed in the automobile dealership industry for 10 years and specifically was employed for 3 years and 1 month at the automobile dealership located in Englewood Cliffs, where Individual 2 purportedly earned a gross income of \$37,500 per month, when, in fact, Individual 2 was a 1 percent partner in the automobile dealership for tax purposes only and received a distribution of less than \$10,000 per year.

9. The Application further fraudulently indicated that Individual 2 had \$400,000 in assets in a joint bank account (with Individual 1) at Mariner's Bank in New Jersey, when, in fact, defendant COCKINOS and Individual 1 caused \$350,000 to be temporarily deposited into Individual 1's and 2's joint bank account for the purpose of misrepresenting that amount as Individual 2's assets. In this regard, defendant COCKINOS issued a check dated May 7, 2007 from a checking account in his name at Mariner's Bank in New Jersey, made payable to Individual 1 in the amount of \$350,000. Individual 1 endorsed the check and deposited it into a business checking account at HSBC Bank. Individual 1 then issued a check dated May 9, 2007 from this account to Individual 2 which Individual 1 endorsed and deposited into their joint bank account at Mariner's Bank in Edgewater, New Jersey on or about May 10, 2007.

10. On or about May 11, 2007, defendant COCKINOS directed an employee of Mariner's Bank in New Jersey to sign a fraudulent Request for Verification of Deposit form concerning the joint bank account, representing that Individual 2 had \$351,394 as a current balance in the joint account and that the average balance for the previous two months in that account was \$350,000, when, in fact, the employee had not verified the balance for the prior two months and there was significantly less funds in the account over the prior two months.

11. Shortly after the fraudulent Request for Verification of Deposit form was signed, on or about May 16, 2007, defendant COCKINOS received the \$350,000 from Individual 1 through a money transfer into defendant COCKINOS' Mariner's Bank account in Edgewater, New Jersey. The Checking Transaction Ticket for the transfer indicated that it was made "as per [Individual 1's] authorization."

12. By "commitment letter" dated June 14, 2007, WASHINGTON MUTUAL advised Individual 2 of its commitment to finance the purchase of the Subject Property with a loan amount of \$1,480,000. The commitment letter provided in part that WASHINGTON MUTUAL's commitment to finance the purchase of the Subject Property could be rescinded with no further obligation to make the loan if it discovered any misrepresentation or omission of any material fact in connection with the Application.

13. On about June 19, 2007, WASHINGTON MUTUAL wired \$1,480,000 to Individual 2's closing attorney trust account at Wachovia Bank located in Oradell, New Jersey. On or about the same day, WASHINGTON MUTUAL entered into a Mortgage with Individual 2 to pay Individual 2 the sum of \$1,480,000 which would be returned in accordance with the Mortgage, promissory Note that was executed the same day, along with other loan documents. On or about the same day, Individual 2 and the seller of the Subject Property executed a form HUD-1 Settlement Statement memorializing the receipts and disbursements involved in the sale of the Subject Property to include a broker's fee of \$12,950 to be paid by WASHINGTON MUTUAL to defendant COCKINOS' FMCA.

14. On or about September 25, 2008, JPMorgan Chase acquired the banking operations of WASHINGTON MUTUAL.

15. Between on or about November 2, 2010 and on or about January 11, 2011, Individual 2 defaulted on the loan.

16. On or about January 11, 2011, JP Morgan Chase initiated active foreclosure proceedings against the Subject Property. On or about March 16, 2012, the Subject Property was sold through a short sale in lieu of foreclosure. After the Subject Property was sold in mitigation of JP Morgan Chase's loss on the defaulted mortgage loan, the loss amount to JPMorgan Chase totaled over \$500,000.