

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 :
 v. : Criminal No.
 :
 :
 JAMES COCKINOS : 18 U.S.C. § 1349

I N F O R M A T I O N

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

(Conspiracy to Commit Bank Fraud)

1. At all times relevant to this Information:

(a) Defendant JAMES COCKINOS ("defendant COCKINOS") was the owner and 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.

(b) 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").

2. At all times relevant to this Information, Washington Mutual Bank, F.A., 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. On or about September 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual Bank, F.A.

3. 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.

4. 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.

5. Defendant COCKINOS caused the Application to fraudulently indicate that:

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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.

6. 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, (a) the employee had not verified the balance for the prior two months and (b) there was a significantly lower average balance in the account over the prior two months.

7. Shortly after the fraudulent Request for Verification of Deposit form was signed, on or about May 16, 2007, defendant COCKINOS received the \$350,000 back 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."

8. 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.

9. On or about June 19, 2007, WASHINGTON MUTUAL wired \$1,480,000 to the trust account belonging Individual 2's closing attorney at Wachovia Bank located in Oradell, New Jersey. On or about the same day, WASHINGTON MUTUAL entered into a Mortgage with Individual 2 to lend Individual 2 the sum of \$1,480,000, which

would be repaid in accordance with the terms of the Mortgage and 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.

10. Between on or about November 2, 2010 and on or about January 11, 2011, Individual 2 defaulted on the loan, ultimately resulting in a loss to the bank of over \$500,000.

11. 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 money, 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.

Paul J. Fishman/rah

PAUL J. FISHMAN
United States Attorney

CASE NUMBER: _____

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

UNITED STATES OF AMERICA

v.

JAMES COCKINOS

INFORMATION FOR

18 U.S.C. § 1349

PAUL J. FISHMAN

U.S. ATTORNEY

NEWARK, NEW JERSEY

ZAHID N. QURAIISHI

ASSISTANT U.S. ATTORNEY

(973) 645-2909