

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

UNITED STATES OF AMERICA	: Hon. Joseph A. Dickson
	: :
v.	: Mag. No. 13-6505 (JAD)
	: :
DELIO COUTINHO, CHRISTOPHER JU, JOSE LUIS SALGUERO BEDOYA, a/k/a "Jose Salguero," and YAZMIN SOTO-CRUZ, a/k/a "Yazmin Soto"	: CRIMINAL COMPLAINT : : : : : :

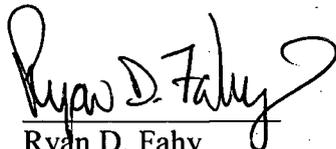
I, Ryan D. Fahy, the undersigned complainant being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A.

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 B.

continued on the attached pages and made a part hereof.


Ryan D. Fahy
Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,

January 23 2013 at 4:55 pm
Date

Hon. Joseph A. Dickson
United States Magistrate Judge
Name & Title of Judicial Officer

Newark, New Jersey
City and State


Signature of Judicial Officer

ATTACHMENT A

From at least as early as in or about March 2008 through in or about June 2010, in the District of New Jersey and elsewhere, defendants:

**Delio Coutinho,
Christopher Ju,
Jose Luis Salguero Bedoya, a/k/a "Jose Salguero," and
Yazmin Soto-Cruz, a/k/a "Yazmin Soto,"**

did knowingly and intentionally conspire and agree with each other and with others to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, which scheme and artifice would affect financial institutions, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, contrary to 18 U.S.C. § 1343.

In violation of 18 U.S.C. § 1349.

ATTACHMENT B

I, Ryan D. Fahy, a Special Agent with the Federal Bureau of Investigation, having conducted this investigation and discussed this matter with other law enforcement officers who have participated in the investigation, have knowledge of the facts set forth below. Because this affidavit is being submitted for the limited purpose of establishing probable cause, I have not included every detail of every aspect of the investigation. All conversations and statements described in this attachment are related in substance and in part and are not verbatim transcripts or quotations.

The Defendants and the Mortgage Company

At all times relevant to this Complaint:

defendant Delio Coutinho, a resident of Colonia, New Jersey, was employed as a loan officer at Mortgage Company 1, a Northern New Jersey mortgage brokerage company;

defendant Christopher Ju, a resident of East Brunswick, New Jersey, negotiated short sale real estate transactions;

defendant Jose Luis Salguero Bedoya, also known as "Jose Salguero," a resident of Elizabeth and Verona, New Jersey, was a real estate investor;

defendant Yazmin Soto-Cruz, also known as "Yazmin Soto," a resident of Elizabeth, New Jersey, was the girlfriend of defendant Salguero;

co-conspirator Amedeo A. Gaglioti ("Gaglioti"), who is not named as a defendant herein, a resident of Westfield, New Jersey, was a real estate closing attorney.

Mortgage Lending Generally

1. Mortgage loans are loans funded by banks, mortgage companies, and other financial institutions (“lenders”), to enable borrowers to finance the purchase of real estate property, giving the lenders a secured interest in the property. In deciding whether borrowers meet the lenders’ income, credit eligibility, and down payment requirements, the lenders evaluate the financial representations made in the loan applications and other documents submitted by the borrowers, and assess the value of the property securing the loan.

2. 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. The FHA encourages 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.

3. Another common type of mortgage loan is called a “conventional” mortgage loan. Lenders underwrite and fund conventional mortgage loans using their own funds and credit lines. After funding a conventional mortgage loan, a lender either services the loan during the mortgage loan period or sells the loan to other institutional investors in the secondary market.

4. The mortgage companies referred to herein were “financial institutions,” as defined in 18 U.S.C. § 20, because they were “mortgage lending businesses,” as defined in 18 U.S.C. § 27. The mortgage companies were organizations which financed or refinanced debts secured by interests in real estate property, and their activities affected interstate commerce.

Short Sales Generally

5. A short sale is a type of real estate transaction in which the property is sold for less than the amount owed by the seller on the underlying mortgage on the property. A short sale

involves an agreement between the seller and the lender who holds a mortgage on the property, whereby the lender agrees to release its mortgage in exchange for payment of less than the total amount owed on the mortgage. After the closing of a short sale transaction, the closing agent must record the deed in the official records of the relevant county agency in order to properly reflect the occurrence of the short sale on the date of the transaction, the parties involved, and the amount paid by the buyer.

The Mortgage Fraud Conspiracy

6. The investigation has uncovered evidence that the defendants have conspired with each other and others to obtain mortgage loans through fraudulent means. The mortgage fraud took several forms. The defendants obtained control of certain properties through fraudulent short sales they arranged and completed. The defendants also bought bank owned properties using loan proceeds from fraudulently obtained mortgage loans.

7. As described below, the defendants conspired with each other and others to release liens on encumbered properties via fraudulently arranged short sales. This allowed them to profit from new fraudulent mortgage loans obtained on the properties from other mortgage lenders. To complete the short sale transactions the defendants submitted and caused to be submitted to mortgage lenders materially false and fraudulent closing and other documents. Similarly, the defendants caused to be submitted materially false and fraudulent mortgage loan applications, supporting documents, and closing documents to mortgage lenders to obtain new mortgage loans on properties in or around the Elizabeth, New Jersey area for the financial gain of the defendants and others.

8. The investigation has identified numerous properties involved in the conspiracy, including a property located on Fulton Street, Elizabeth, New Jersey.

Fulton Street, Elizabeth, New Jersey: Background

9. On or about May 12, 2006, E.A. purchased a property located on Fulton Street, Elizabeth, New Jersey ("Fulton Street Property") for \$390,000. To complete the purchase, E.A. obtained two mortgages that totaled approximately \$390,000, a first mortgage loan of approximately \$312,000 serviced by Servicer 1 and a second mortgage of approximately \$78,000 serviced by Servicer 2.

Fulton Street, Elizabeth, NJ: Fraudulent Short Sale

10. On behalf of defendant Salguero and the co-conspirators, defendant Ju began to negotiate with Servicer 1, as early as on or about December 22, 2008, and negotiate with Servicer 2, as early as on or about February 23, 2009, for a short sale for the Fulton Street Property. Defendant Ju represented to both Servicers 1 and 2 that NJRE Solutions LLC (NJRE), a company he owned, would purchase the Fulton Street Property from E.A. Defendant Ju provided Servicers 1 and 2 with a draft HUD-1 Settlement Statement (HUD-1), showing NJRE as the buyer, and other documents supporting the proposed transaction, including financial statements related to the seller, E.A.

11. On or about March 16, 2009, Servicer 1 approved a short sale of the Fulton Street Property from E.A. to NJRE for a purchase price of \$70,000. In approving the short sale, Servicer 1 agreed to accept no less than \$54,501.00 in satisfaction of its outstanding mortgage secured by the Fulton Street Property in the name of E.A., which had an outstanding balance of approximately \$312,000 at the time.

12. On or about March 16, 2009, Gaglioti conducted the closing for the short sale of the Fulton Street Property by seller E.A. to buyer NJRE Solutions for a purchase price of \$70,000. The HUD-1 Gaglioti prepared showed short sale pay-offs of approximately \$54,501 to

Servicer 1 and approximately \$5,000 to Servicer 2. At the time of the short sale, both Servicers agreed to release their liens on the Fulton Street Property at a combined loss of over \$256,000.

13. In addition, Gaglioti prepared and submitted to Servicer 1 closing documents showing NJRE as the buyer of the Fulton Street Property, including a HUD-1 Settlement Statement.

14. The investigation has found that the HUD-1 that Gaglioti prepared and submitted to Servicer 1 and the documents defendant Ju submitted to Servicers 1 and 2 fraudulently misrepresented the true identity of the buyer of the Fulton Street Property and the source of the funds related to the purchase of that property, as follows:

- a. The HUD-1 falsely stated that the buyer, NJRE, made a deposit of approximately \$30,000 when, in fact, no deposit was made by NJRE;
- b. The HUD-1 falsely stated that the buyer, NJRE, paid approximately \$57,777 at the closing, when in fact, NJRE did not pay anything at the closing; and
- c. Defendants Ju, Salguero and Soto-Cruz concealed from Servicers 1 and 2 that neither defendant Ju nor NJRE Solutions had provided any funds towards the closing of the transaction but that, instead, defendants Salguero and Soto-Cruz provided Gaglioti with \$110,000 to use in the transaction and further the conspiracy. Defendant Soto-Cruz signed a check for \$110,000 drawn on an account in the name of New Jersey Property Management, a company defendants Salguero and Soto-Cruz operated. Gaglioti then deposited the check into his Attorney Trust Account and used the money to pay off Servicers 1 and 2 and others involved in the conspiracy.

15. On or about March 16, 2009, Gaglioti used the \$110,000 he received from defendants Salguero and Soto-Cruz to execute the fraudulent transaction and further the

conspiracy by causing four checks and two wire transfers to be disbursed from his Attorney Trust Account in New Jersey as follows:

- a. Servicer 1 received a check dated March 16, 2009, in the amount of \$54,501;
- b. A.A., a relative of the seller, E.A., received two checks dated March 16, 2009, in a total amount of 21,750;
- c. Defendant Ju received a check dated March 16, 2009, payable to his company, NJRE Solutions, which was purportedly the buyer in the short sale, in the amount of \$20,000;
- d. Servicer 2 received a wire transfer in its account in New York in the amount of \$5,000; and
- e. Gaglioti received a wire transfer in the amount of \$8,749 into a different bank account that he held.

16. The defendants and Gaglioti concealed the involvement of defendants Salguero and Soto-Cruz in the transaction from Servicer 1 and Servicer 2 and concealed the payments to NJRE (purportedly the buyer) and A.A. (a relative of E.A., the seller) from Servicers 1 and 2. Servicer 1 would not have approved the short sale if they had known about these payments.

17. In a further effort to conceal the fraudulent short sale transaction and further the conspiracy, Gaglioti intentionally did not file a deed with the local county register's office, which would have created a record of the fraudulent transaction.

Fulton Street, Elizabeth, NJ: New Mortgage

18. After the short sale of the Fulton Street Property from E.A. to NJRE, defendants Salguero and Coutinho and others conspired to obtain a new mortgage on the Fulton Street Property and obtain money for themselves and others.

19. On or about June 23, 2009, approximately three months after the short sale of the Fulton Street Property, Gaglioti acted as closing attorney for a second closing at which E.A. sold the Fulton Street Property to a second buyer, R.G., for a purchase price of approximately \$330,000.

20. For the second fraudulent closing, defendant Coutinho, acting as a loan officer, fraudulently obtained an FHA insured loan in the name of R.G. for approximately \$295,000 from Mortgage Lender 1. Defendants Coutinho, Salguero, and others submitted and caused to be submitted numerous fraudulent misrepresentations to Mortgage Lender 1 and FHA, which caused Mortgage Lender 1 and FHA to approve the FHA-insured mortgage loan in the name of R.G.

21. The defendants and others concealed from Mortgage Lender 1 and FHA that there had been a short sale of the Fulton Street Property from E.A. to NJRE in or about March 2009.

22. The defendants and others, both before and during the closing, caused fraudulent documents to be prepared concerning the sale of the Fulton Street Property from E.A. to R.G., including a fraudulent HUD-1 and other documents. These fraudulent documents contained misrepresentations such as fraudulently inflated earnings and assets for R.G. and false documents such as bank statements and tax returns. For example:

- a. The fraudulent mortgage loan application that defendant Coutinho submitted to a mortgage lender in Pennsylvania ("Lender 1") in R.G.'s name falsely listed an address owned by defendant Salguero as the location of R.G.'s purported employer.
- b. The fraudulent documents supporting the mortgage loan application that were submitted to Lender 1 included bank statements that falsely purported to be evidence of R.G.'s assets but were in fact the bank statements for a company that defendant Salguero

owned that had been fraudulently altered to show R.G. as the account holder.

23. On or about June 23, 2009, defendant Salguero and his co-conspirators caused Lender 1 to fund R.G.'s loan and to transfer most of the loan proceeds, in the amount of approximately \$290,400, via wire transfer from a bank account of Lender 1, who is located in Pennsylvania to an Attorney Trust Account held by Gaglioti in New Jersey.

24. Defendants Salguero and Coutinho and their co-conspirators caused a fraudulent HUD-1 to be submitted to Mortgage Lender 1, FHA, and others. For example, the HUD-1:

- a. Falsely stated that R.G. paid approximately \$47,061 at the closing when, in fact, R.G. did not pay anything at the closing.
- b. Falsely stated that E.A. received approximately \$309,396 at the closing, when, in fact, E.A. did not receive any money at the closing.

25. Instead, the defendants benefitted from the approximately \$290,400 in mortgage loan proceeds when Gaglioti divided the money among the co-conspirators as follows:

- a. Defendant Salguero's family member received three checks dated June 23, 2009, each in the amount of \$67,170.61, for a total amount of \$201,511.83;
- b. An associate of defendant Salguero, M.L., received two checks dated June 23, 2009, each in the amount of \$5,000, for a total of \$10,000;
- c. Defendant Coutinho received a check dated June 23, 2009, in the amount of \$6,000;
- d. R.G., the purported purchaser of the property, received two checks, one dated July 12, 2009, in the amount of \$16,000, and one dated July 30, 2009, in the amount of \$10,000;
- e. R.G.'s family member received two checks dated June 23, 2009, one in the

amount of \$8,000 and one in the amount of \$4,000 for a total of \$12,000;

f. Gaglioti received a check dated June 24, 2009, in the amount of \$11,723.11; and

g. Gaglioti wrote a check from the proceeds of this mortgage loan on November 17, 2009, payable to "Cash" in the amount of \$8,167.63.

26. Defendants concealed these disbursements from Lender 1 and the FHA by intentionally failing to disclose them on the HUD-1.

27. Defendants Salguero and Soto-Cruz received a portion of the money paid to defendant Salguero's family member. For example, defendant Salguero received checks totaling at least \$15,000 and defendant Soto-Cruz received checks totaling at least \$8,275 from the family member.

28. The co-conspirators have conducted numerous other fraudulent real estate transactions by various methods, including short sales, short sale flips, and identity theft, and have obtained money through various sales to straw buyers, from which defendant Salguero and his co-conspirators have obtained fraudulent proceeds. The fraudulent transactions include but are not limited to the following properties:

a. A property located on Smith Street, Elizabeth, New Jersey;

b. A property located on Sunset Avenue, Newark, New Jersey;

c. A property located on Magnolia Avenue, Newark, New Jersey;

d. A property located on South 17th Street, Newark, New Jersey;

e. A property located on Bond Street, Elizabeth, New Jersey;

f. A property located on Fulton Street, Elizabeth, New Jersey; and

g. A property located on Delaware Street, Elizabeth, New Jersey.

