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FOR IMMEDIATE RELEASE

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Prominent Monmouth County Real Estate Developer Pleads Guilty in \$50 Million Bank Fraud Scheme

(More)

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NEWARK – Monmouth County real estate developer Solomon Dwek pleaded guilty today to bank fraud and money laundering charges in connection with his scheme to defraud PNC Bank of more than \$50 million, U.S. Attorney Paul J. Fishman announced.

Dwek, 37, pleaded guilty before U.S. District Judge Jose L. Linares to an Information charging him with one count each of bank fraud and money laundering. Judge Linares continued the defendant's release on a \$10 million bond pending sentencing, which is scheduled for Feb. 9.

At his plea hearing, Dwek admitted that he and Joseph S. Kohen, 39, of Deal, schemed to defraud PNC Bank of more than \$50 million and to launder approximately \$22.8 million of the proceeds through other banks, which included paying off an overdue and fraudulently obtained \$20 million line of credit at HSBC Bank USA, N.A. (HSBC).

Dwek admitted that he and Kohen schemed to defraud PNC Bank by presenting, on April 24 2006, a \$25,212,076 check drawn on a Dwek-controlled account in the name of Corbett Holdings at a PNC Bank branch in Eatontown. Dwek admitted that he wanted the check deposited into another PNC account that he controlled in the name of SEM Realty Associates, LLC. Dwek admitted that after a PNC Bank official advised him that the Corbett Holdings account was closed with a zero balance, he falsely represented that "Corporate" was reopening the account and that a wire transfer of funds into the Corbett Holdings account would be forthcoming, which did not occur. Dwek's check was honored and deposited.

The next day, April 25, Dwek phoned in four wire transfers out of the SEM Realty account to various other banks, including \$20 million and \$2.2 million wire transfers to HSBC, according to Dwek. Dwek admitted that the \$20 million wire transfer to HSBC was for the purpose of paying off an overdue and fraudulently obtained \$20 million line of credit that he received from HSBC, which he had fully drawn down. As a result, according to the charges, the SEM Realty account was overdrawn by approximately \$22,790,000.

Dwek further admitted that on April 25, 2006, he also presented another bogus \$25 million check to be drawn on the same Corbett Holdings account for deposit into the same SEM Realty account at PNC Bank branch in Asbury Park. This check was not honored or deposited by the bank.

Dwek admitted that he made a number of false statements and representations to cover up this scheme, including falsely advising a PNC bank official that he was expecting a wire transfer from an attorney that would cover the \$25,212,076 check drawn on the Corbett account. Dwek then admitted that he later called back the PNC official and had Kohen pose as the attorney and falsely tell the bank official that he would make a wire transfer to cover the \$25 million check.

As charged in the second count of the Information, the wire transfers of these fraudulently-obtained proceeds to HSBC, as well as two other wire transfers of \$580,000 and \$10,000 to other banks, was money laundering.

Kohen pleaded guilty to bank fraud on March 21, 2007. His sentencing is pending before Judge Linares.

Dwek was charged with bank fraud on May 11, 2006, in a criminal Complaint. Thereafter, Dwek cooperated with law enforcement in an investigation of a pre-existing money laundering network that allegedly operated internationally among New York, New Jersey, Israel and other locations and laundered millions of dollars through charitable, non-profit entities. Law enforcement officials also utilized Dwek to investigate public corruption in New Jersey. Those investigations led to charges on July 23 against 44 individuals for public corruption, money laundering and, in the case of one individual, human organ-trafficking.

To date, seven individuals have pleaded guilty to public corruption charges, and a federal grand jury has indicted four others.

Dwek also is scheduled to appear at 1:30 p.m. today for a proceeding in state Superior Court in Freehold, Monmouth County.

The bank fraud charge carries a statutory maximum penalty of 30 years in prison and a fine of \$1 million. The money laundering charge carries a statutory maximum penalty of 10 years in prison and a \$250,000 fine.

In determining an actual sentence, Judge Linares will consult the advisory U.S. Sentencing Guidelines, which recommend sentencing ranges that take into account the severity and characteristics of the offenses, the defendant's criminal histories, if any, and other factors, including acceptance of responsibility and cooperation. The judge, however, has discretion and can sentence above, below or within a guidelines range.

Based on the relevant factors, the government and defense counsel agree that Dwek faces a Sentencing Guidelines range of between 108 and 135 months in federal prison.

Parole has been abolished in the federal system. Defendants who receive custodial terms must serve nearly all of that time.

Fishman credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, and Special Agents of IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord, for the investigation leading to today's guilty plea.

Fishman also thanked assistant prosecutors and investigators from the Monmouth County Prosecutor's Office, under the direction of Prosecutor Luis A. Valentin, for their assistance in the investigation.

The government is represented Assistant U.S. Attorney Brian R. Howe, Deputy Chief of the Office's Special Prosecutions Division, and Thomas J. Eicher, Assistant U.S. Attorney-in-Charge of the Trenton Office.

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Defense Counsel: Michael B. Himmel, Esq. And Christopher S. Porrino, Esq., Roseland