

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon. Esther Salas
	:	
v.	:	Crim. No. 13-_____(ES)
	:	
MICHAEL RUMORE	:	18 U.S.C. § 1349

INFORMATION

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

COUNT ONE
(Conspiracy to Commit Bank Fraud)

1. At various times relevant to this Information:
 - a. Defendant MICHAEL RUMORE was an attorney licensed to practice law in the State of New Jersey.
 - b. Premier Mortgage Services, LLC (“Premier”) was a real estate mortgage broker based in Woodbridge, New Jersey.
 - c. Lester Soto, a co-conspirator who is not named as a defendant herein, was a part-owner of Premier.
 - d. I.D., a co-conspirator who is not named as a defendant herein, was employed as a loan officer at Premier.
 - e. Adilson Silva, a co-conspirator who is not named as a defendant herein, was employed as a loan officer at Premier.

- f. R.C., a co-conspirator who is not named as a defendant herein, resided in Elizabeth, New Jersey.
- g. K.J., a co-conspirator who is not named as a defendant herein, was a tax preparer based in Elizabeth, New Jersey.
- h. Jairo Nunes, a co-conspirator who is not named as a defendant herein, resided in Newark, New Jersey.
- i. JPMorgan Chase Bank was a financial institution, as defined by Title 18, United States Code, Section 20, having accounts insured by the Federal Deposit Insurance Corporation.

THE MORTGAGE LENDING PROCESS

2. Banks, mortgage companies, and other private lending institutions (collectively, the “Mortgage Lenders”) provided mortgages for real estate properties. Mortgages allowed borrowers who could meet income, credit eligibility, and down payment requirements, among other things, to obtain financing in order to acquire real estate properties.

3. After locating an available property of interest, a prospective borrower could apply for a mortgage loan from a Mortgage Lender through a mortgage broker, such as Premier. Generally, a mortgage broker acted as an intermediary between a borrower and a Mortgage Lender. A mortgage broker did not distribute its own money to fund a mortgage, but submitted the borrower’s information to the Mortgage Lender which ultimately decided whether to fund the mortgage loan.

4. Prior to making the mortgage loans, the Mortgage Lenders, including JPMorgan Chase Bank, evaluated whether the borrowers satisfied, among other things, income, credit eligibility, and down payment requirements to qualify for the requested financing. The Mortgage Lenders performed their evaluations by reviewing the financial representations set forth in Uniform

Residential Loan Applications (“URLAs”) and related documents which loan officers caused to be submitted to the Mortgage Lenders.

5. Following approval by a Mortgage Lender of a mortgage loan, the closing attorney or closing agent prepared a settlement statement, known as a “HUD-1.” The HUD-1 was a form prescribed by the United States Department of Housing and Urban Development that set forth the costs, fees, and disbursements associated with a residential real estate transaction.

6. If, after reviewing the HUD-1, the Mortgage Lender approved the HUD-1, the Mortgage Lender caused an electronic wire transfer of funds to be transmitted to the title company or closing attorney participating in the closing of title on the property. The title company or closing attorney then distributed the funds in accordance with the HUD-1, including by providing a portion of the funds to the seller, and a portion to the mortgage broker, such as Premier. The mortgage broker, in turn, compensated the loan officer who shepherded the loan application through the mortgage lending process.

THE CONSPIRACY

7. From at least as early as in or around 2006 to in or around 2009, in Union and Middlesex Counties, in the District of New Jersey and elsewhere, defendant

MICHAEL RUMORE

did knowingly and intentionally conspire and agree with Lester Soto, Adilson Silva, I.D., R.C., K.J., Jairo Nunes, and others (individually and collectively, the “Co-Conspirators”) to devise a scheme and artifice to defraud financial institutions, including JPMorgan Chase Bank, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, those financial institutions, including JPMorgan Chase Bank, by means of materially false and

fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344.

OBJECT OF THE CONSPIRACY

8. The object of the conspiracy was to profit from the sale and financing of certain properties by obtaining loans from the Mortgage Lenders based on materially false and fraudulent representations.

ROLES OF THE CO-CONSPIRATORS

9. Defendant MICHAEL RUMORE served as the closing attorney on mortgage loans brokered by Soto, Silva, and I.D. Defendant MICHAEL RUMORE signed and certified HUD-1s that failed to truthfully disclose the monies that flowed through transactions. Defendant MICHAEL RUMORE received the proceeds of fraudulently-obtained mortgage loans into his attorney trust account at Bank of America, after which the proceeds were divided amongst the Co-Conspirators.

10. Lester Soto acted as a loan officer on certain Premier mortgage loan applications. Soto utilized document makers, including Co-Conspirator K.J., to create false and fraudulent documents in furtherance of the conspiracy.

11. Adilson Silva ("Silva") recruited buyers, provided false and fraudulent documents to the buyers, and incorporated false and fraudulent documents into loan applications to induce financial institutions to fund mortgage loans. Silva then profited illegally by receiving a commission from Premier for each mortgage loan that he closed.

12. I.D. recruited buyers, provided false and fraudulent documents to the buyers, and incorporated false and fraudulent documents into loan applications to induce financial institutions to fund mortgage loans. I.D. then profited illegally by receiving a commission from Premier for each mortgage loan that he closed.

13. R.C. worked with Soto, Silva, and I.D. to create false and fraudulent documents, including Verifications of Deposit (“VODs”) and Verifications of Rent (“VORs”). Soto, Silva, and I.D. then submitted R.C.’s fraudulent documents to financial institutions to support the fraudulent mortgage loan applications of various buyers.

14. K.J. created false and fraudulent documents to assist Soto, Silva, I.D., and others in purchasing real estate properties. K.J. also operated several fraudulent businesses (the “Shell Companies”), none of which had either employees or revenue. Using the Shell Companies, K.J. created fraudulent tax documents and verifications of employment (“VOEs”) for Soto, Silva, I.D, and others. K.J. received a fee for each fraudulent document that K.J. created.

15. Jairo Nunes (“Nunes”) was a document maker. Nunes created false documents, including bank statements, driver’s licenses, permanent resident cards, and social security cards, to support the fraudulent mortgage loan applications submitted by Soto, Silva, I.D, and others, on behalf of various buyers.

MANNER AND MEANS OF THE CONSPIRACY

16. It was part of the conspiracy that the Co-Conspirators targeted properties in low-income areas of New Jersey (the “Subject Properties”).

17. It was further a part of the conspiracy that the Co-Conspirators recruited “straw buyers,” individuals who the Co-Conspirators knew had no means of paying the mortgages on the Subject Properties and no intention of residing at the Subject Properties, but who posed as legitimate purchasers to facilitate the fraud.

18. It was further a part of the conspiracy that the Co-Conspirators used a variety of fraudulent documents to make it appear as though the straw buyers possessed far more assets, and

earned far more income, than they actually did. These fraudulent documents included bank statements, identification documents, VODs, VORs, and VOEs.

19. It was further a part of the conspiracy that the Co-Conspirators and others submitted these fraudulent documents and representations in connection with mortgage loan applications to Mortgage Lenders, including JPMorgan Chase Bank, with the intention that the Mortgage Lenders would rely upon those fraudulent documents and representations to provide mortgage loans for the Subject Properties. After approving the mortgage loans, the Mortgage Lenders, including JPMorgan Chase Bank, caused electronic wire transfers of funds to be sent to a closing attorney who closed the mortgage loans in connection with the Subject Properties.

20. It was further a part of the conspiracy that the Co-Conspirators fraudulently split the proceeds from the fraudulently-obtained mortgage loans among themselves and others by using fraudulent HUD-1s, which hid the true sources and destinations of the mortgage funds provided by the Mortgage Lenders.

21. In reality, as opposed to the Co-Conspirators' false representations and fraudulent documents, the straw buyers had no means of paying the mortgages on the Subject Properties, and many of the Subject Properties entered into foreclosure proceedings.

22. As a result of the above fraudulent conspiratorial acts, the Mortgage Lenders, including JPMorgan Chase Bank, were induced to make more than \$2 million in fraudulent mortgage loans to unqualified buyers and suffered losses.

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

FORFEITURE ALLEGATION


1. As the result of committing an offense in violation of Title 18, United States Code, Section 1349, as alleged in Count 1 of this Information, defendant MICHAEL RUMORE shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense.

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Section 981 and Title 28, United States Code, Section 2461.



PAUL J. FISHMAN
United States Attorney

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INFORMATION FOR

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