

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	
	:	Criminal No.
v.	:	
	:	18 U.S.C. § 1349
	:	
PAUL CHEMIDLIN, JR.	:	21 U.S.C. §§ 841(a)(1) & (b)(1)(C)

**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 Wire Fraud)

**Background**

1. At various times relevant to this Information:
  - a. Defendant Paul Chemidlin, Jr. (“defendant CHEMIDLIN”), a resident of Morganville, New Jersey, provided fraudulent real estate appraisals for his co-conspirators although he was not a licensed real estate appraiser.

**Mortgage Lending Generally**

2. Mortgage loans were 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 met the lenders’ income, credit eligibility, and down payment requirements, among other things, the lenders evaluated the financial representations made in loan applications and other

documents submitted by the borrowers, and assessed the value of the property securing the loan.

3. The mortgage companies referred to herein were “financial institutions,” as defined in Title 18, United States Code, Section 20, and their activities affected interstate commerce.

### **The Conspiracy**

4. From at least as early as in or about March 2011, through in or about July 2012, in the District of New Jersey and elsewhere, defendant

PAUL CHEMIDLIN, JR.,

did knowingly and intentionally conspire with others known and unknown, 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 Title 18, United States Code, Section 1343.

### **Object of the Conspiracy**

5. The object of the conspiracy was for defendant CHEMDILIN and his co-conspirators to enrich themselves by obtaining mortgage loans through fraudulent means, including but not limited to submitting to mortgage lenders materially false and fraudulent mortgage loan applications, supporting

documents, and closing documents.

**Methods and Means of the Conspiracy**

6. It was part of the conspiracy that defendant CHEMIDLIN and his co-conspirators intentionally inflated property values in order to obtain mortgage loans in larger amounts from the lenders, and defendant CHEMIDLIN, who was not a licensed appraiser, prepared false appraisal reports to support these inflated property values.

7. It was further part of the conspiracy that, to obtain new fraudulent mortgage loans on the same properties, defendant CHEMIDLIN and his co-conspirators submitted and caused to be submitted materially false and fraudulent mortgage loan applications, supporting documents, and closing documents to mortgage lenders on behalf of fake or “straw” buyers.

8. It was further part of the conspiracy that, using the methods and means described above, among others, defendant CHEMIDLIN and his co-conspirators conducted fraudulent real estate transactions, including a fraudulent real estate transaction involving a property on Smith Street in Elizabeth, New Jersey.

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

**COUNT TWO**  
(Methylone Distribution)

In or about August 2013, in Hudson and Monmouth Counties, in the District of New Jersey, and elsewhere, defendant

PAUL CHEMIDLIN, JR.,

did knowingly and intentionally distribute and possess with intent to distribute 3,4-Methylenedioxymethcathinone Hydrochloride ("Methylone"), a Schedule I controlled substance.

In violation of Title 21, United States Code, Sections 841(a)(1) and (b)(1)(C).

### **FORFEITURE ALLEGATION**

1. The allegations contained in Count One of this Information are incorporated by reference as though set forth in full herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461.

2. Upon conviction of Count One as charged in this Information, the Government will seek forfeiture from defendant CHEMIDLIN, in accordance with Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the violations of Title 18, United States Code, Section 1349.

3. If by any act or omission of defendant CHEMIDLIN any of the property subject to forfeiture herein:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- 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 Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of defendant CHEMIDLIN

up to the value of the property described in this forfeiture allegation.

A handwritten signature in cursive script, reading "Paul J. Fishman", with a long horizontal flourish extending to the right.

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PAUL J. FISHMAN  
UNITED STATES ATTORNEY

**CASE NUMBER: 2012R00150**

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

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**UNITED STATES OF AMERICA**

**v.**

**PAUL CHEMIDLIN, JR.**

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**INFORMATION FOR**

18 U.S.C. § 1349  
21 U.S.C. §§ 841(a)(1) & (b)(1)(C)

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**PAUL J. FISHMAN**  
*U.S. ATTORNEY*

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JOSHUA HAFETZ**  
*ASSISTANT U.S. ATTORNEYS  
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