

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.  
 :  
 v. : Crim. No. 11-  
 :  
 VICTOR PATELA and :  
 JOSE DOMINGUEZ, : 18 U.S.C. §§ 215, 981(a)(1)(C),  
 a/k/a "Joseph A. Dominguez," : 1014, 1344, and 1349;  
 a/k/a "Joe Dominguez" : 18 U.S.C. § 2  
 : 26 U.S.C. § 2461

I N D I C T M E N T

The Grand Jury, in and for the District of New Jersey,  
sitting at Newark, charges:

COUNT 1  
CONSPIRACY TO COMMIT BANK FRAUD

1. At times relevant to Count 1 of this Indictment:

a. Defendant VICTOR PATELA ("defendant PATELA")  
was the managing member and owner of JVI Realty, LLC, a New  
Jersey limited liability company ("JVI Realty"), and a police  
officer for the Newark, New Jersey Police Department.

b. Defendant JOSE DOMINGUEZ, a/k/a "Joseph A.  
Dominguez," a/k/a "Joe Dominguez" (defendant "DOMINGUEZ"), was an  
employee of Spencer Savings Bank, SLA ("SSB") located in Elmwood  
Park, New Jersey, and elsewhere, from in or about January 1988 to  
in or about February 2007, and served as a loan officer.

c. SSB was a financial institution as defined in  
Title 18, United States Code, Section 20, whose deposits were  
insured by the Federal Deposit Insurance Corporation.

2. On or about August 30, 2004, defendant PATELA issued a check from his personal checking account at Penn Federal Savings (now NYCB Bank), made payable to defendant DOMINGUEZ's then-spouse ("Individual 1") in the amount of \$10,000. The \$10,000 check was endorsed by Individual 1 and deposited two days later into her checking account at Commerce Bank (now TD Bank) that defendant DOMINGUEZ was authorized to access.

3. On or about September 14, 2004, in connection with an application for a commercial real estate loan from SSB for JVI Realty to purchase apartment buildings located in Elizabeth, New Jersey (the "Elizabeth Properties"), defendant PATELA signed a Personal Financial Statement ("PFS") falsely reporting that he had a net worth of \$3,860,000 which included, but was not limited to, cash in bank accounts in the amount of \$430,000 and ownership of real estate valued at \$3,500,000. Defendant PATELA signed the PFS underneath the Representations and Warranties section which provided in part that: (1) the information contained in the statement was provided to induce SSB to extend credit to JVI Realty and (2) defendant PATELA represented, warranted, and certified that the information provided was true, correct, and complete. At the time that defendant PATELA signed the PFS, he did not have \$430,000 cash in bank accounts and did not own real estate valued at \$3,500,000.

4. On or about September 24, 2004, SSB documented in its Commercial Loan Submission that JVI Realty, by its principal, defendant PATELA, requested a commercial loan in the amount of

\$1,920,000 for the purpose of purchasing the Elizabeth Properties. The Elizabeth Properties were owned at that time by Santander Realty Group ("Santander Realty"). The Commercial Loan Submission further provided that the loan amount constituted 80% of the purchase price and that defendant PATELA, among satisfying other conditions, would need to provide SSB with sufficient evidence of the source of funds for the remainder of the purchase price in the amount of \$480,000. In his capacity as a loan officer, defendant DOMINGUEZ recommended approval of the loan.

5. By letter dated on or about September 29, 2004 which was executed by both defendant PATELA and SSB, SSB advised defendant PATELA of its commitment to finance the purchase of the Elizabeth Properties, subject to the terms and conditions outlined in the letter. Paragraph 20(B) provided that there should be no secondary financing of the Elizabeth Properties by JVI Realty and defendant PATELA, and that no subordinate liens or encumbrances affecting the Elizabeth Properties should be created or permitted by JVI Realty and defendant PATELA during the term of the financing. Paragraph 24(O)(6) of the commitment letter further provided that among other conditions, SSB had to receive and be satisfied with its review of the source of funds for the \$480,000 equity contribution. Defendant PATELA signed the September 29, 2004 letter as Managing Member of JVI Realty.

6. By another letter dated September 29, 2004, defendant PATELA was advised by SSB that the bank still required certain information to further process JVI Realty's loan

application, including, but not limited to, a copy of bank statements verifying available funds of \$480,000 to acquire the Elizabeth Properties. Defendant PATELA was further advised that he could contact defendant DOMINGUEZ, referred to as "Joe Dominguez," with any questions concerning the requested information.

7. Between on or about September 29, 2004 and on or about November 1, 2004, SSB was informed that defendant PATELA intended to submit a real estate contract, demonstrating his sale of a property located on Jabez Street in Newark, New Jersey (the "Jabez Street Property") as the source of the \$480,000 equity contribution for the purchase of the Elizabeth Properties. By letter dated November 1, 2004, SSB provided JVI Realty's attorney with closing figures for a scheduled closing of November 5, 2004. In the letter, SSB indicated, that among other documents, it had to receive a copy of the agreement for the sale of real estate for the Jabez Street Property.

8. Between on or about November 1, 2004 and on or about November 5, 2004, defendant PATELA caused SSB to receive a Contract for Sale of Real Estate purporting to have been executed on or about October 4, 2004 (the "Fraudulent Contract"), as evidence of the source of funds in the amount of \$480,000 which was to serve as the down payment on the Elizabeth Properties. The Fraudulent Contract that SSB received, falsely stated that defendant PATELA would sell the Jabez Street Property to an individual for the purchase price of \$540,000. The Fraudulent

Contract further indicated that the individual paid defendant PATELA \$54,000 upon signing the Fraudulent Contract and that the anticipated closing on the sale was scheduled for November 8, 2004 when the balance of \$486,000 would be due.

9. In fact, defendant PATELA did not own the Jabez Street Property in October 2004. Defendant PATELA and his brother sold the Jabez Street Property on or about April 23, 2003 to a completely different individual for approximately \$480,000.

10. On November 5, 2004, SSB entered into a Mortgage & Security Agreement with JVI Realty to pay JVI Realty the sum of \$1,920,000 which would be paid back in accordance with the Mortgage & Security Agreement and Promissory Note that was executed that same day. The Mortgage & Security Agreement that was signed by defendant PATELA, prohibited defendant PATELA from encumbering or mortgaging the Elizabeth Properties without the written consent of SSB.

11. JVI Realty, through defendants PATELA and DOMINGUEZ, subsequently secured a second mortgage from Santander Realty on the Elizabeth Properties, contrary to the terms of the Mortgage & Security Agreement with SSB.

12. On or about November 8, 2004, defendants PATELA and DOMINGUEZ agreed on behalf of JVI Realty to a prohibited second mortgage with Santander Realty, a five-year interest only loan in the amount of \$300,000. The \$300,000 loan was used as part of the \$480,000 equity contribution to purchase the Elizabeth Properties. Both defendants PATELA and DOMINGUEZ

(signing as "Joseph A. Dominguez") signed the mortgage and mortgage note as corporate officers of JVI. Defendants PATELA and DOMINGUEZ did not report this prohibited second mortgage to authorities at SSB.

13. On or about the same date on November 8, 2004, defendant PATELA issued a check drawn on a JVI Realty checking account at SSB, made payable to "cash," in the amount of \$20,000. The \$20,000 check was endorsed by Individual 1, and deposited into her checking account at Commerce Bank, that defendant DOMINGUEZ was authorized to access. From on or about November 24, 2004 to on or about May 23, 2005, defendant PATELA issued checks drawn on the same JVI Realty checking account at SSB, made payable to "cash," totaling over \$10,000. The checks were either signed by Individual 1, and/or deposited into her checking account at Commerce Bank that defendant DOMINGUEZ was authorized to access.

14. Defendant DOMINGUEZ intentionally did not disclose defendant DOMINGUEZ's relationship with JVI Realty and defendant PATELA and other material information to SSB.

15. From at least in or about August 2004 to in or about May 2005, in the District of New Jersey and elsewhere, defendants

VICTOR PATELA  
and  
JOSE DOMINGUEZ,  
a/k/a "Joseph A. Dominguez,"  
a/k/a "Joe Dominguez,"

did knowingly and intentionally conspire and agree with each other and others to devise a scheme and artifice to defraud a financial institution, SSB, and to obtain moneys, funds, credits, assets, and other property owned by, and under the custody and control of SSB, 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.

COUNT 2  
BANK FRAUD

1. Paragraphs 1 to 14 of Count 1 of this Indictment are realleged and incorporated as if fully set forth herein.

2. From at least in or about August 2004 to in or about May 2005, in the District of New Jersey and elsewhere, defendants

VICTOR PATELA  
and  
JOSE DOMINGUEZ  
a/k/a "Joseph A. Dominguez,"  
a/k/a "Joe Dominguez,"

did knowingly and intentionally execute and attempt to execute a scheme and artifice to defraud a financial institution, SSB, and to obtain moneys, funds, credits, assets, and other property owned by, and under the custody and control of SSB, by means of materially false and fraudulent pretenses, representations, and promises.

In violation of Title 18, United States Code, Section 1344 and Section 2.

COUNT 3  
LOAN APPLICATION FRAUD

1. Paragraphs 1 to 3 of Count 1 are realleged and incorporated as if fully set forth herein.

2. On or about September 14, 2004, in the District of New Jersey and elsewhere, defendant

VICTOR PATELA

knowingly made false statements and reports for the purpose of influencing in some way the action of SSB, upon an application for a loan to purchase real property, by providing false information concerning his personal assets on a PFS to include cash in bank accounts, real estate owned, total assets, total liabilities, and net worth, in order to obtain and retain a mortgage for approximately \$1.92 million to cover the remainder of the purchase price for that real property.

In violation of Title 18, United States Code, Section 1014 and Section 2.

COUNT 4  
LOAN APPLICATION FRAUD

1. Paragraphs 1 to 9 of Count 1 are realleged and incorporated as if fully set forth herein.

2. Between on or about November 1, 2004 and on or about November 5, 2004, in the District of New Jersey and elsewhere, defendant

VICTOR PATELA

knowingly made false statements and reports for the purpose of influencing in some way the action of SSB, upon an application for a loan to purchase real property, by submitting a fraudulent Contract for Sale containing false statements purporting to indicate that defendant PATELA sold real property as evidence of the source of approximately \$480,000 in funds to be used to purchase real property, in order to obtain and retain a mortgage for approximately \$1.92 million to cover the remainder of the purchase price for that real property.

In violation of Title 18, United States Code, Section 1014 and Section 2.

COUNT 5  
BANK BRIBERY

1. Paragraphs 1 to 14 are realleged and incorporated as if fully set forth herein.

2. From at least in or about August 2004 to in or about May 2005, in the District of New Jersey and elsewhere, defendant

VICTOR PATELA

did knowingly and corruptly give, offer, and promise a thing of value exceeding \$1,000 to defendant DOMINGUEZ and Individual 1, with intent to influence and reward an officer, employee and agent of a financial institution in connection with a business and transaction of such institution.

In violation of Title 18, United States Code, Section 215(a)(1) and Section 2.

COUNT 6  
BANK BRIBERY

1. Paragraphs 1 to 14 are realleged and incorporated as if fully set forth herein.

2. From at least in or about August 2004 to in or about May 2005, in the District of New Jersey and elsewhere, defendant

JOSE DOMINGUEZ  
a/k/a "Joseph A. Dominguez,"  
a/k/a "Joe Dominguez,"

as an officer, employee and agent of a financial institution, did knowingly and corruptly solicit and demand for the benefit of a person, and corruptly accept and agree to accept, a thing of value exceeding \$1,000 from defendant PATELA, intending to be influenced and rewarded in connection with a business and transaction of such institution.

In violation of Title 18, United States Code, Section 215(a)(2) and Section 2.

FORFEITURE ALLEGATION

As a result of committing the aforementioned offense in violation of Title 18, United States Code, Section 215, as alleged in Count 6 of the Indictment, defendant DOMINGUEZ shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constituted and was derived from proceeds traceable to the commission of the offense, including, but not limited to, approximately \$43,863.54 in United States currency, in that such sum constituted and was derived from proceeds traceable to the commission of bank bribery.

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

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;
- (3) has been placed beyond the jurisdiction of the court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be divided 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 defendant DOMINGUEZ up to the value of the above forfeitable property.

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

A TRUE BILL

  
PAUL J. FISHMAN  
UNITED STATES ATTORNEY

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FOREPERSON

CASE NUMBER:

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

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UNITED STATES OF AMERICA

v.

VICTOR PATELA  
and  
JOSE DOMINGUEZ  
a/k/a "Joseph A. Dominguez,"  
a/k/a "Joe Dominguez"

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**INDICTMENT FOR**

18 U.S.C. §§ 215, 981(a)(1)(C), 1014, 1344, and 1349  
18 U.S.C. § 2; 28 U.S.C. § 2461

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A True Bill,

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Foreperson

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**PAUL J. FISHMAN**

*U.S. ATTORNEY*

*NEWARK, NEW JERSEY*

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**ZAHID N. QURAIISHI**

**ASSISTANT U.S. ATTORNEY**

973-645-2909

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