

# Department of Justice

United States Attorney William J. Hochul, Jr.  
Western District of New York

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## **HUSBAND AND WIFE INDICTED IN MORTGAGE FRAUD SCHEME**

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Timothy McCabe, 47, and Theresa Morales, 48, both of Hypoluxo, Florida, were indicted by a federal grand jury for bank fraud. The charge carries a maximum penalty of 30 years in prison, a \$1,000,000 fine or both.

Assistant U.S. Attorneys Maura K. O'Donnell and Kathleen A. Lynch, who are handling the case, stated that according to the Indictment, the defendants submitted a fraudulent loan application to a financial institution, JPMorgan Chase Bank, to obtain a \$560,000 mortgage on a property in Lewiston, N.Y. The defendants, who are husband and wife, provided false information in the loan application as to employment, salary, and residency. The defendants' conduct resulted in foreclosure on the property.

This law enforcement action is part of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

The Indictment is the result of an investigation by the Mortgage Fraud Task Force of WNY which includes agents and personnel from the United States Secret Service under the direction of Special Agent in Charge Tracy Gast; the Federal Bureau of Investigation under

the direction of Special Agent in Charge Christopher M. Piehota; the U.S. Postal Inspection Service under the direction of Inspector in Charge Robert Bethel; the Housing and Urban Development Office of Inspector General, under the direction of Cary Rubenstein, Special Agent in Charge, New York Region; and the Internal Revenue Service under the direction of Acting Special Agent in Charge Toni Weirauch. The Mortgage Fraud Task Force of WNY is led by the U.S. Attorney's Office and also includes Veterans Affairs Office of Inspector General and the U.S. Bankruptcy Trustee.

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