

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Criminal No. 14-
	:	
ANTONIO PIMENTA	:	18 U.S.C. §§ 215, 1344, 1349 and
	:	2

INDICTMENT

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

COUNT ONE
(Conspiracy to Commit Bank Fraud)

Background

1. At all times relevant to this Indictment:
 - a. Defendant ANTONIO PIMENTA was a builder and the owner of Kelmar Construction, Inc. ("Kelmar") and Markel Construction Inc. ("Markel"), construction companies based in Irvington, New Jersey.
 - b. Premier Mortgage Services, LLC ("Premier") was a real estate mortgage broker based in Woodbridge, New Jersey.
 - c. Klary Arcenales, a co-conspirator who is not named as a defendant herein, was a loan officer at Premier.
 - d. Lester Soto, a co-conspirator who is not named as a defendant herein, was a part-owner of Premier.

e. Linda Cohen, a co-conspirator who is not named as a defendant herein, was a paralegal for attorney S.B. and handled real estate closings for S.B.

f. J.R.A., a co-conspirator who is not named as a defendant herein, assisted defendant PIMENTA in conducting a number of the fraudulent transactions described herein.

g. The "Subject Properties" were real estate properties located in or around New Jersey.

h. A "straw buyer" was an individual who served as a nominal purchaser in real estate transactions and whose name and credit were used in fraudulent mortgage loan applications.

i. Straw buyers M.D., D.D., and G.C were individuals who had no means of paying the mortgages on the Subject Properties, but who nevertheless posed as legitimate purchasers of the Subject Properties to facilitate the fraudulent scheme described herein.

j. JPMorgan Chase Bank, and its subsidiary entities and affiliates, including but not limited to Chase Bank USA, N.A. (collectively, "JPMorgan Chase"), was a financial institution as defined by Title 18, United States Code, Section 20, having accounts insured by the Federal Deposit Insurance Corporation.

2. As set forth below, defendant PIMENTA and co-conspirators Arcentales, Soto, Cohen, J.R.A., and others known and unknown (collectively, the "Co-Conspirators"), participated in a scheme to defraud financial

institutions, including JPMorgan Chase, of mortgage loan proceeds and monies related to real property transactions. In furtherance of the scheme, the Co-Conspirators arranged for straw buyers to purchase the Subject Properties using mortgage loans the Co-Conspirators fraudulently obtained from financial institutions based on false and fraudulent documents. These documents misrepresented, among other things, the straw buyers' financial information and falsely represented that the straw buyers intended to live at the Subject Properties. In some instances, the straw buyers knew that they would not, in fact, own or control the Subject Properties that they purported to buy, but agreed to participate in the scheme in exchange for a fee. In other instances, the Co-Conspirators used the straw buyers' identities without their knowledge. Using these and other methods described herein, the Co-Conspirators caused JPMorgan Chase to issue fraudulent mortgage loans to straw buyers.

The Conspiracy

3. From at least as early as in or about March 2007 through in or about March 2008, in Middlesex, Essex, and Bergen Counties, in the District of New Jersey and elsewhere, defendant

ANTONIO PIMENTA

did knowingly and intentionally conspire and agree with Klary Arcentales, Lester Soto, Linda Cohen, J.R.A., and others, to devise a scheme and artifice to defraud financial institutions, including JPMorgan Chase, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, those financial institutions by means of

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

Object of the Conspiracy

4. The object of the conspiracy was for defendant PIMENTA and co-conspirators Arcentales, Soto, Cohen, J.R.A., and others, to profit from the sale and financing of the Subject Properties by obtaining loans from financial institutions based on materially false and fraudulent representations.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that certain Co-Conspirators, including defendant PIMENTA and co-conspirator J.R.A., obtained straw buyers to serve as the nominal purchasers of the Subject Properties.

6. It was further part of the conspiracy that certain Co-Conspirators submitted or caused to be submitted mortgage loan applications for the Subject Properties that contained materially false and misleading statements and material omissions to financial institutions, including JPMorgan Chase (the "Fraudulent Mortgage Applications").

7. It was further part of the conspiracy that the Fraudulent Mortgage Applications included false statements of, among other things: the borrowers' monthly income; the borrowers' assets and liabilities; the borrowers' employment; and the borrowers' intent to occupy the Subject Properties.

8. It was further part of the conspiracy that certain Co-Conspirators caused to be created false and fraudulent documents, including verifications of employment, verifications of rent, and verifications of deposit, intended to

corroborate the false information contained in the Fraudulent Mortgage Applications.

9. It was further part of the conspiracy that defendant PIMENTA never received the deposits or down payments listed on certain settlement statements ("HUD-1s") as paid by, or due from, the straw buyers for the Subject Properties.

10. It was further part of the conspiracy that after approving the mortgage loans, based upon paperwork the Co-Conspirators submitted, the mortgage lenders and financial institutions, including JPMorgan Chase, caused electronic wire transfers of funds to be sent to S.B.'s attorney trust account (the "S.B. ATA"). The S.B. ATA was controlled by co-conspirator Linda Cohen, the settlement agent, who closed the mortgage loans for the Subject Properties, and so acted as the agent of JPMorgan Chase in the transactions.

11. It was further part of the conspiracy that in or around October 2007, defendant PIMENTA and others paid an approximately \$50,000 cash bribe to co-conspirator Cohen, who at the time was acting as the agent of JPMorgan Chase, to complete the fraudulent closing of one of the Subject Properties located in or around Irvington, New Jersey, because the home had exploded just before the closing was to take place.

12. It was further part of the conspiracy that the Co-Conspirators and others caused JPMorgan Chase, based on the types of fraudulent information listed above, to issue more than \$1 million in fraudulently-obtained mortgage loans.

13. It was further part of the conspiracy that the Co-Conspirators profited from the fraudulently obtained loan proceeds through commissions and other payments disbursed at closing, in part by using fraudulent HUD-1s, which hid some of the true sources and destinations of the mortgage funds. Defendant PIMENTA ordinarily received the largest share of the proceeds from the fraudulently obtained mortgage loans.

14. It was further part of the conspiracy that certain Co-Conspirators made, and caused to be made, corrupt payments to certain of the straw buyers for their participation in the scheme.

Subject Properties

15. In furtherance of the above-described scheme to defraud, defendant PIMENTA and his Co-Conspirators participated in fraudulent real estate and mortgage transactions involving, among others, the following Subject Properties:

97 22nd Street, Irvington, New Jersey (“97 22nd Street”)

a. In or around November 2005, defendant PIMENTA’s entity, Kelmar, purchased the property located at 97 22nd Street for approximately \$64,000.

b. In or around August 2007, co-conspirators Arcentales and Soto, together with others, submitted or caused to be submitted a false and fraudulent Uniform Residential Loan Application (the “97 22nd Street URLA”) to JPMorgan Chase in the name of straw buyer M.D. for a mortgage loan of approximately \$400,500.

c. The 97 22nd Street URLA contained false and fraudulent information, including fraudulently inflated income for M.D., false employment information for M.D., and false rent payment information. The 97 22nd Street URLA also falsely represented that M.D. intended to use 97 22nd Street as M.D.'s primary residence. Indeed, the Co-Conspirators used M.D.'s identity and financial information without M.D.'s knowledge or consent.

d. In or around September 2007, defendant PIMENTA and co-conspirators Arcenales and Cohen, together with others, caused a HUD-1 to be transmitted to JPMorgan Chase which falsely claimed that straw buyer M.D. had paid approximately \$44,500 as a "deposit" for 97 22nd Street, when in truth and in fact, no such deposit had been made by M.D.

e. On or about September 4, 2007, based in part on the fraudulent information contained within the 97 22nd Street URLA and HUD-1, defendant PIMENTA and co-conspirators Arcenales and Cohen, together with others, caused JPMorgan Chase to transfer approximately \$406,895 to the S.B. ATA in New Jersey to fund a mortgage for M.D.'s purported purchase of 97 22nd Street.

f. Defendant PIMENTA and his entities received approximately \$381,301 from the closing of 97 22nd Street.

g. On or about September 8, 2007 and on or about September 11, 2007, just days after the closing of 97 22nd Street, defendant PIMENTA caused approximately four checks to be written to an individual with the initials "C.A.N.," in the total amount of approximately \$36,500, which checks

were deposited into co-conspirator J.R.A.'s bank accounts. These checks represented payments to J.R.A. for J.R.A.'s role in the fraudulent transaction.

h. M.D. made no payments on the fraudulently-obtained mortgage, and the loan entered foreclosure proceedings.

24 20th Avenue, Irvington, New Jersey ("24 20th Avenue")

i. In or around January 2005, defendant PIMENTA's entity, Kelmar, purchased the property located at 24 20th Avenue for approximately \$52,000.

j. On or about September 8, 2007, defendant PIMENTA caused a check to be written to "C.A.N.," in the approximate amount of \$25,000, which check was cashed from the bank account of straw buyer D.D. This check represented a partial payment to D.D. for D.D.'s role in the fraudulent transaction.

k. In or around October 2007, co-conspirators Arcentales and Soto, together with others, submitted or caused to be submitted a false and fraudulent Uniform Residential Loan Application (the "24 20th Avenue URLA") to JPMorgan Chase in the name of straw buyer D.D. The 24 20th Avenue URLA was submitted in support of an application for a mortgage loan of approximately \$422,500.

l. The 24 20th Avenue URLA contained false and fraudulent information, including a false social security number for D.D., fraudulently inflated income for D.D., and false employment information for D.D. The 24

20th Avenue URLA also falsely represented that D.D. intended to use 24 20th Avenue as D.D.'s primary residence.

m. Co-conspirators Arcentales and Soto, together with others, obtained a false and fraudulent verification of employment that claimed D.D. owned Cargon Royal Restaurant. In truth and in fact, D.D. was neither employed by, nor owned, Cargon Royal Restaurant.

n. In or around October 2007, defendant PIMENTA and co-conspirators Arcentales and Cohen, together with others, caused a HUD-1 to be transmitted to JPMorgan Chase which falsely claimed that straw buyer D.D. would be providing approximately \$39,967 in "cash from borrower" as a down payment for 24 20th Avenue, when in truth and in fact, no such money was ever provided by D.D.

o. On or about October 19, 2007, just hours before the 24 20th Avenue transaction was to close, the house located at 24 20th Avenue exploded and was totally destroyed. Defendant PIMENTA and co-conspirators Arcentales, Cohen, and J.R.A., among others, all learned of this explosion soon after it occurred, but nevertheless decided to proceed with the closing for 24 20th Avenue. The closing was consummated, in part, because defendant PIMENTA caused an approximately \$50,000 bribe to be paid to co-conspirator Cohen to induce her to close a mortgage on a house that no longer existed.

p. On or about October 19, 2007, based in part on the fraudulent information contained in the 24 20th Avenue URLA and HUD-1, defendant PIMENTA and co-conspirators Arcentales and Cohen, together with

others, caused JPMorgan Chase to transfer approximately \$426,262 to the S.B. ATA in New Jersey to fund a mortgage for D.D.'s purported purchase of 24 20th Avenue.

q. Defendant PIMENTA and his entities received approximately \$403,523 from the closing of 24 20th Avenue.

r. On or about October 24, 2007 and on or about October 26, 2007, defendant PIMENTA caused approximately six checks to be written to "C.A.N.," in the total amount of approximately \$101,000. One of these checks, for approximately \$30,000, was signed over to straw buyer D.D., as partial payment for D.D.'s role in the fraudulent transaction. The remaining checks were deposited into co-conspirator J.R.A.'s bank accounts and represented payments to co-conspirator J.R.A. for his role in the fraudulent transaction.

s. D.D. made no payments on the fraudulently-obtained mortgage, and the loan entered foreclosure proceedings.

396-398 Union Avenue, Irvington, New Jersey ("396 Union")

t. In or around January 2007, defendant PIMENTA's entity, Kelmar, purchased the property located at 396 Union, together with two adjacent properties, for a total of approximately \$360,000.

u. In or around November 2007, co-conspirators Arcenales and Soto, together with others, submitted or caused to be submitted a false and fraudulent Uniform Residential Loan Application (the "396 Union URLA") to JPMorgan Chase in the name of straw buyer G.C. The 396 Union URLA was

submitted in support of an application for a mortgage loan of approximately \$422,750.

v. The 396 Union URLA contained false and fraudulent information, including a false social security number for G.C., fraudulently inflated income for G.C., and false employment information for G.C.

w. Co-conspirators Arcenales and Soto, together with others, then obtained a false and fraudulent verification of employment that claimed G.C. was employed by Royal Restaurant. In truth and in fact, however, G.C. was not employed by Royal Restaurant.

x. In or around November 2007, defendant PIMENTA and co-conspirators Arcenales and Cohen, together with others, caused a HUD-1 to be transmitted to JPMorgan Chase which falsely claimed that straw buyer G.C. would be providing approximately \$21,744 in “cash from borrower” as a down payment for 396 Union, when in truth and in fact, no such money was ever provided by G.C.

y. On or about November 30, 2007, based in part on the fraudulent information contained in the 396 Union URLA and HUD-1, defendant PIMENTA and co-conspirators Arcenales and Cohen, together with others, caused JPMorgan Chase to transfer approximately \$429,661 to the S.B. ATA in New Jersey to fund a mortgage for G.C.’s purported purchase of 396 Union.

z. Defendant PIMENTA and his entities received approximately \$403,332 from the closing of 396 Union.

aa. On or about December 1, 2007 defendant PIMENTA caused approximately five checks to be written to co-conspirator J.R.A., in the total amount of approximately \$58,588. One of these checks, for approximately \$5,000, was signed over to straw buyer D.D. (straw buyer G.C.'s husband). Another of these checks, for approximately \$25,000, was signed over to straw buyer G.C., as partial payment for G.C.'s role in the fraudulent transaction. The remaining checks were cashed or deposited by co-conspirator J.R.A. and represented payments to co-conspirator J.R.A. for his role in the fraudulent transaction.

bb. G.C. made no payments on the fraudulently-obtained mortgage, and the loan entered foreclosure proceedings.

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

COUNTS TWO THROUGH FOUR
(Bank Fraud)

1. The allegations set forth in Paragraphs 1, 2, and 5 through 15 of Count One are hereby repeated, realleged and incorporated as if fully set forth herein.

2. On or about the approximate dates set forth below, in Middlesex, Essex, and Bergen Counties, in the District of New Jersey and elsewhere, defendant

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did knowingly and intentionally devise and attempt to devise a scheme and artifice to defraud financial institutions, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, those financial institutions, by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute this scheme and artifice, defendant PIMENTA did, among other things, knowingly obtain and pay, and cause to be obtained and paid, "straw buyers," whose false information was submitted to JPMorgan Chase for the purpose of obtaining the following mortgage loans through materially false and fraudulent representations, each transaction constituting a separate count of this Indictment:

Count	Approximate Date	Straw Buyer	Subject Property	Approximate Loan Amount
2	September 2007	M.D.	97 22nd Street, Irvington, NJ	\$400,500
3	October 2007	D.D.	24 20th Avenue, Irvington, NJ	\$422,500
4	November 2007	G.C.	396 Union Avenue, Irvington, NJ	\$422,750

All in violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FIVE
(Bank Bribery)

1. The allegations set forth in Paragraphs 1, 2, and 5 through 15(i)-(s) of Count One are hereby repeated, realleged and incorporated as if fully set forth herein.

2. In or around October 2007, in Essex County, in the District of New Jersey and elsewhere, defendant

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corruptly gave, offered, and promised something of value, that is, approximately \$50,000 to co-conspirator Linda Cohen, an agent of JPMorgan Chase, with the intent to influence and reward co-conspirator Cohen in connection with a business and transaction of JPMorgan Chase.

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

FORFEITURE ALLEGATION

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

2. The United States hereby gives notice to defendant PIMENTA that, upon conviction of the offenses charged in this Indictment, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461(c), which requires any person convicted of such offenses to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offenses.

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

- 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 divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section

2461(c), to seek forfeiture of any other property of such defendant up to the value of the forfeitable property described in paragraph 2.

A TRUE BILL



PAUL J. FISHMAN
UNITED STATES ATTORNEY

FOREPERSON

CASE NUMBER:

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

ANTONIO PIMENTA

INDICTMENT FOR

18 U.S.C. §§ 215, 1344, 1349 & 2

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