

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

UNITED STATES OF AMERICA	:	Criminal No. 17- _____
	:	
v.	:	18 U.S.C. § 371
	:	
BETSY BORGES	:	<u>INFORMATION</u>
	:	

The defendant having waived in open Court prosecution by Indictment, and any objection based upon the statute of limitations, the Acting United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:
 - a. Defendant BETSY BORGES resided in the State of New Jersey. Defendant BORGES was employed as a detective with the Atlantic County Prosecutor's Office ("ACPO") from on or about August 4, 2005 to on or about February 4, 2014.
 - b. Iraida Fuentez, a/k/a "Iraida Fuentes," who was a co-conspirator but not named as a defendant herein, resided in the State of New Jersey and in the Dominican Republic and had a familial relationship with defendant BETSY BORGES.
 - c. Co-conspirator 1 ("CC-1") resided in the State of New Jersey and had a familial relationship with defendant BETSY BORGES and Iraida Fuentez.
 - d. Iraida Investments, LLC ("Iraida Investments") operated as a real estate management company doing business in the State of New Jersey. Iraida Investments was formed on or about March 27, 2009 with the listed business purpose as "Real Estate Investments." At the time of Iraida Investments'

formation, defendant BETSY BORGES' brother was listed as the registered agent. On or about October 17, 2012, Iraida Investments filed a Certificate of Amendment adding Iraida Fuentez as an officer with the entity.

- e. B&B Properties SJ, LLC ("B&B Properties") operated as a real estate management company doing business in the State of New Jersey. B&B Properties was formed on or about September 27, 2011 with the listed business purpose as "Real Estate." At the time of B&B Properties' formation, defendant BETSY BORGES was listed as the registered agent. As of December 2016, B&B Properties listed defendant BORGES as the Chief Executive Officer of the entity.
- f. 4957 Cardigan Court, Mays Landing, New Jersey (the "Subject Property") was a residence in Atlantic County, New Jersey, which defendant BETSY BORGES and CC-1 purchased in or about December 2002. Thereafter, defendant BORGES subsequently took out mortgages on the Subject Property that Wachovia Mortgage FSB, ("Wachovia") and, its successor, Wells Fargo Bank, N.A. ("Wells Fargo") serviced. As of September 14, 2012, defendant BORGES had an outstanding mortgage balance of \$160,804.85 due and owing to Wells Fargo.
- g. Tenant-1 resided in the State of New Jersey and began renting the Subject Property in or about October 2012. Prior to Tenant-1, at least three other tenants rented the Subject Property from defendant BETSY BORGES and paid rent to defendant BORGES.

- h. Wachovia and its successor, Wells Fargo, were financial institutions as that term is defined in 18 U.S.C. § 20.
2. Mortgage loans were loans funded by banks and other financial institutions ("Lenders") to enable borrowers to finance the purchase of real estate. In deciding whether the borrowers met the Lenders' income, credit eligibility, and down payment requirements, the Lenders evaluated the financial representations set forth in a Uniform Residential Loan Application ("URLA") and other documents from the borrowers and assessed the value of the real estate that would secure the loan, a process called "underwriting." Lenders relied on the truthfulness of statements contained on the URLA in evaluating whether to extend a mortgage loan to an applicant.
3. A "short sale" was a sale of real estate in which the net proceeds of the sale of the property fell short of the debts secured by liens against the property. In a "short sale," the lender agreed to accept less than the full balance of the amount owed in order to release their lien on the property. Banks, who participated in "short sales," typically required the seller and the buyer of the property to sign an affidavit affirming that the sale was an arms-length transaction. This was because banks did not want a seller or a seller's family members or associates to profit from a "short sale" when the seller had financial liability to the lending bank.

THE CONSPIRACY

4. From as early as October 2011 through in or about February 2017, at Atlantic County, in the District of New Jersey and elsewhere, defendant

BETSY BORGES

knowingly and intentionally conspired and agreed with Iraida Fuentez and others, known and unknown, to execute and attempt to execute, a scheme and artifice to defraud a financial institution, namely Wells Fargo, contrary to Title 18, United States Code, Section 1344.

OBJECT OF THE CONSPIRACY

5. It was the object of the conspiracy for defendant BETSY BORGES and Iraida Fuentez to defraud Wells Fargo by fraudulently inducing Wells Fargo to approve the “short sale” of the Subject Property from defendant BETSY BORGES to Fuentez so that defendant BORGES and Fuentez could profit from the subsequent rental of the Subject Property to Tenant-1 and so that defendant BORGES could reacquire the Subject Property free from any outstanding liens or mortgage payments due and owing to Wells Fargo.

MANNER AND MEANS

6. It was part of the conspiracy that defendant BETSY BORGES failed to make mortgage payments for the Subject Property to Wachovia and its successor, Wells Fargo.
7. It was further part of the conspiracy that defendant BETSY BORGES, despite failing to make mortgage payments, collected rental income from tenants living in the

Subject Property, which defendant BORGES concealed from Wachovia and Wells Fargo.

8. It was further part of the conspiracy that defendant BETSY BORGES falsely represented to Wells Fargo, on multiple occasions, that she could not make the mortgage payments for the Subject Property to Wells Fargo.
9. It was further part of the conspiracy that in or about March 2012, defendant BETSY BORGES signed a real estate listing for the Subject Property.
10. It was further part of the conspiracy that defendant BETSY BORGES arranged with Wells Fargo for Iraida Fuentez to purchase the Subject Property from defendant BORGES through a “short sale.”
11. It was further part of the conspiracy that the defendant BETSY BORGES and Iraida Fuentez concealed their familial relationship from Wells Fargo and that this “short sale” was not an arm’s length transaction.
12. It was further part of the conspiracy that defendant BETSY BORGES and CC-1 provided Iraida Fuentez with the funds to purchase the Subject Property through a “short sale,” the fact of which defendant BORGES, Fuentez, and CC-1 concealed from Wells Fargo.
13. It was further part of the conspiracy that defendant BETSY BORGES, while negotiating the “short sale” with Wells Fargo and prior to selling the Subject Property to Iraida Fuentez, arranged to place a new tenant, Tenant-1, in the Subject Property.

14. It was further part of the conspiracy that Iraida Fuentez, using funds provided by defendant BETSY BORGES and CC-1, purchased the Subject Property through a “short sale” at a price well below its actual value.
15. It was further part of the conspiracy that defendant BETSY BORGES and Iraida Fuentez received rental income from Tenant-1 following the “short sale” into an account belonging to Iraida Investments, which defendant BORGES and Fuentez concealed from Wells Fargo.
16. It was further part of the conspiracy that B&B Properties later purchased the Subject Property from Iraida Fuentez at a price well below the price at “short sale.”
17. It was further part of the conspiracy that defendant BETSY BORGES purchased the Subject Property from B&B Properties.

OVERT ACTS

18. In furtherance of the conspiracy and to effect its unlawful object, defendant BETSY BORGES and her co-conspirators committed, and caused to be committed, the following overt acts in the District of New Jersey and elsewhere:
 - a. On or about August 6, 2012, defendant BETSY BORGES, CC-1, and Iraida Fuentez opened a bank account at Sun National Bank, in Fuentez’s name (Fuentez Account-1”) in New Jersey.
 - b. On or about August 17, 2012, defendant BETSY BORGES, while driving a ACPO issued vehicle, made a cash deposit of approximately \$5,500 into Fuentez Account-1 through a drive-through teller station in Northfield, New Jersey.

- c. On or about August 24, 2012, defendant BETSY BORGES, while driving her ACPO issued vehicle, made a cash deposit of \$4,500 into Fuentez Account-1 through a drive-through teller station in Northfield, New Jersey.
- d. On or about August 28, 2012, defendant BESTY BORGES submitted via facsimile from the ACPO to Wells Fargo a signed Request for Approval of Shore Sale, wherein she falsely stated that the sale of the Subject Property was an arm's length transaction between two people unrelated by family or commercial enterprise.
- e. On or about September 20, 2012, defendant BESTY BORGES sold the Subject Property to Iraida Fuentez through a "short sale."
- f. Between on or about October 2012 and November 2016 defendant BESTY BORGES and Iraida Fuentez collected rental income from Tenant-1 and maintained this income in an account in the name of Iraida Investments.
- g. On or about November 22, 2016, B&B Properties purchased the Subject Property from Iraida Fuentez for \$25,000.
- h. On or about February 3, 2017, defendant BETSY BORGES purchased the Subject Property from B&B Properties for one dollar.

In violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATION

1. As a result of committing the offenses alleged in this Information, defendant BETSY BORGES shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(A), all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense, including but not limited to a forfeiture money judgment in the amount of \$206,450.00, representing all property constituting or derived from proceeds traceable to the commission of the offense to which she is pleading guilty; and all of BETSY BORGES' right, title and interest in the following properties, each of which BETSY BORGES admits has the requisite nexus to the conspiracy offense to which BETSY BORGES has agreed to plead guilty: (a) 4957 Cardigan Court, Hamilton Township, New Jersey 08330; and (b) 6 Club House Lane, Mays Landing, New Jersey 08330.

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), as incorporated by 18 U.S.C.

§ 982(b), to seek forfeiture of any other property of said defendant up to the value of the above
forfeitable property.


WILLIAM E. FITZPATRICK
Acting United States Attorney