

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA

- v. -

ISSAK ALMALEH,
a/k/a "Issak Izrael," and
ANTOANETA IOTOVA,

Defendants.

- - - - - X

SEALED INDICTMENT

17 Cr.

17 CRIM 025

COUNT ONE

(Conspiracy to Commit Bank Fraud)

The Grand Jury charges:

Relevant Entities

1. New York Sport Foundation is a not-for-profit corporation that was incorporated in New York State by ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, in 2011. IOTOVA is listed as the President of the New York Sport Foundation. According to its website, New York Sport Foundation purports to fund charitable efforts relating to fitness and sports around the United States.

2. New York Mortgage Corporation is a for-profit corporation that was incorporated in Wyoming by New York Sport Foundation in 2013. ANTOANETA IOTOVA, the defendant, is the President of New York Mortgage Corporation, and ISSAK ALMALEH, a/k/a "Issak Izrael," the defendant, is the Vice President.

3. Women in International Relations, Inc., is a not-for-profit corporation that was incorporated in New York State in 2014. ANTOANETA IOTOVA, the defendant, is the CEO of Women in International Relations, Inc.

4. The New York City Register is a government agency within the New York City Department of Finance charged with recording and filing official documents pertaining to real properties in the Bronx, Brooklyn, Queens, and Manhattan. Those real property documents, such as mortgages, deeds, and applicable tax documentation, are recorded and maintained through an electronic database called the Automated City Register Information System ("ACRIS"). ACRIS is accessed through a website that allows users to file and view documents electronically through the Internet. Similar documents pertaining to real property in the Miami, Florida, metropolitan area are recorded and maintained by different offices within the county administrations of Broward, Palm Beach, and Miami-Dade Counties.

Defendants' Scheme to Obtain Real Property Through Fraud

5. From at least in or about 2012, ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, have filed fraudulent and forged documents purporting to transfer ownership of more than 40 real properties located in New York

and Florida, with a combined estimated market value of approximately \$17,306,196, to entities controlled by the defendants, specifically, New York Sport Foundation, New York Mortgage Corporation, and Women in International Relations, Inc.

6. ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, identified properties that had been subject to foreclosure by financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). After the foreclosures, these properties were conveyed to the financial institutions through deeds properly recorded with the appropriate government offices in New York City and in the Miami, Florida area.

7. After ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, identified these properties, ALMALEH and IOTOVA filed fraudulent and forged warranty deeds that supposedly reflected the transfer of these properties from the financial institutions to either New York Sport Foundation or New York Mortgage Corporation for a nominal sum. ALMALEH, who was a commissioned notary of the state of Florida from on or about November 2, 2012, until on or about November 1, 2016, would notarize the documents as genuinely signed by representatives of the financial institutions. IOTOVA would

sign the documents on behalf of the entities controlled by the defendants.

8. ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, have fraudulently claimed ownership of at least eleven real properties in the New York City area, with a combined estimated market value of approximately \$4,370,372, by filing false and forged deeds in ACRIS purported to transfer ownership to the New York Sport Foundation between 2011 and the present.

9. ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, have fraudulently claimed ownership of at least 35 real properties in the Miami, Florida, area, including but not limited to the following:

a. Three properties in Broward County falsely transferred to the New York Sport Foundation, with a combined estimated market value of approximately \$457,610.

b. Twenty-five properties in Broward County falsely transferred to the New York Mortgage Corporation, with a combined estimated market value of approximately \$9,204,740.

c. One property in Broward County falsely transferred to Women in International Relations, Inc., with an estimated market value of approximately \$236,700.

d. Two properties in Miami-Dade County falsely transferred to the New York Sport Foundation, with a combined estimated market value of approximately \$352,141.

e. Four properties in Miami-Dade County falsely transferred to the New York Mortgage Corporation, with a combined estimated market value of approximately \$2,469,633.

f. One property in Palm Beach County falsely transferred to the New York Mortgage Corporation, with an estimated market value of \$215,000.

10. On at least one occasion, in 2015, ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, attempted to evict a bona fide purchaser ("Victim-1") from a property in Hollywood, Florida ("Property-1"), that had been falsely claimed by the defendants, as follows:

a. On or about January 21, 2014, a false deed was filed purporting to transfer ownership of Property-1 from a mortgage service provider ("Company-1") to New York Mortgage Corporation. ALMALEH signed the deed, representing himself as the Vice President of Company-1.

b. On or about February 21, 2014, Company-1 legitimately transferred ownership of Property-1 to a bank insured by the FDIC ("Bank-1"). The same day, Bank-1 sold

Property-1 to Victim-1. Victim-1 thereafter occupied Property-1 as a primary residence.

c. On or about March 28, 2014, Victim-1 was notified of errors in the deed to Property-1, specifically, that Bank-1 was not the owner of Property-1, but that it instead belonged to New York Mortgage Corporation.

d. On or about February 16, 2015, using the fraudulent deed indicating that Victim-1's property belonged to New York Mortgage Corporation, ALMALEH and IOTOVA obtained the assistance of the local police in temporarily evicting Victim-1 from Victim-1's residence. ALMALEH, using the name "Issak Izrael," gave a police officer a copy of a business card indicating that ALMALEH was an employee of Bank-1. ALMALEH and IOTOVA also presented the police officer with a fraudulent document styled as a "Writ of Possession," on which basis Victim-1 was evicted from Property-1. ALMALEH and IOTOVA proceeded to change the locks to the doors on Property-1.

e. An emergency court hearing later that same day permitted Victim-1 to remain in residence at Property-1 temporarily. On or about August 12, 2015, Victim-1 obtained a default judgment against New York Mortgage Corporation in Victim-1's action to quiet title to Property-1.

11. On at least one occasion, in 2016, ISSAK ALMALEH,

a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, used documents falsely claiming ownership of a parcel of real property in Hallandale Beach, Florida ("Property-2") in order to defraud consumers by falsely entering into lease agreements for Property-2, as follows:

a. On or about February 29, 2016, a false deed was signed purporting to transfer ownership of Property-2 to Women in International Relations, Inc. ALMALEH notarized the deed. Property-2 consists of two separate residential units.

b. On or about March 9, 2016, two victims ("Victim-2" and "Victim-3") separately responded to an online advertisement indicating that the units in Property-2 were available for rent. The phone number provided in the advertisement was registered to IOTOVA.

c. On or about March 11, 2016, both Victim-2 and Victim-3 met with IOTOVA and entered into lease agreements for the units in Property-2. The lease agreements were signed by ALMALEH. In addition to signing a lease agreement, Victim-2 provided IOTOVA with \$2,000 in cash, and Victim-3 provided IOTOVA with \$900 in cash.

d. On or about March 14, 2016, the locks on the doors at Property-2 were changed, and Victim-2 and Victim-3 were notified by the financial institution that is the true owner of

Property-2 ("Bank-2") that their lease agreements were invalid and that they would have to vacate Property-2.

Statutory Allegations

12. From at least in or about March 2011, up to and including in or about December 2016, in the Southern District of New York and elsewhere, ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit bank fraud, in violation of Title 18, United States Code, Section 1344.

13. It was a part and an object of the conspiracy that ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, and others known and unknown, willfully and knowingly, would and did execute and attempt to execute a scheme or artifice to defraud a financial institution, the deposits of which were then insured by the FDIC, and to obtain moneys, funds, credits, assets, securities, and other property owned by and under the custody and control of a financial institution, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

(Title 18, United States Code, Section 1349)

COUNT TWO

(Bank Fraud)

The Grand Jury further charges:

14. The allegations contained in paragraphs 1 through 11 of this Indictment are repeated and realleged as if fully set forth herein.

15. From at least in or about March 2011, up to and including in or about December 2016, in the Southern District of New York and elsewhere, ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, willfully and knowingly, did execute and attempt to execute a scheme or artifice to defraud a financial institution, the deposits of which were then insured by the FDIC, and to obtain moneys, funds, credits, assets, securities, and other property owned by and under the custody and control of a financial institution, by means of false and fraudulent pretenses, representations, and promises, to wit, ALMALEH and IOTOVA submitted false deeds to government recording officials fraudulently indicating that entities controlled by ALMALEH and IOTOVA had purchased parcels of real property, and received legal title to that property on the basis of those deeds.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT THREE

(Wire Fraud)

The Grand Jury further charges:

16. The allegations contained in paragraphs 1 through 11 of this Indictment are repeated and realleged as if fully set forth herein.

17. From at least in or about March 2011, up to and including in or about December 2016, in the Southern District of New York and elsewhere, ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, and by such conduct, did affect a financial institution, to wit, ALMALEH and IOTOVA submitted false deeds claiming ownership of real property through electronic government recording systems using the Internet.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT FOUR

(False Statements to FDIC)

The Grand Jury further charges:

18. On or about April 29, 2015, in the Southern District of New York and elsewhere, ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, knowingly made and invited reliance on a false, forged, and counterfeit statement, document, and thing, for the purpose of influencing the action of the FDIC, to wit, ALMALEH and IOTOVA submitted a false application for federal deposit insurance.

(Title 18, United States Code, Section 1007.)

FORFEITURE ALLEGATION

19. As a result of committing the offenses alleged in Counts One, Two, Three, and Four of this Indictment, ISSAK ALMALEH, a/k/a "Issak Izrael," and ANTOANETA IOTOVA, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), all property that constitutes, or is derived from, proceeds obtained directly or indirectly as a result of said offenses, including but not limited to a sum of money representing the amount of proceeds obtained directly or indirectly as a result of said offenses.

Substitute Assets Provision

20. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- 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 Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982(a)(2); Title 21, United States Code, Section 853(p).)

Foreperson



PREET BHARARA
United States Attorney

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(18 U.S.C. §§ 1007, 1343, 1344, 1349.)

PREET BHARARA

United States Attorney.

A TRUE BILL

Foreperson.
