

United States District Court
District of New Jersey

ORIGINAL FILED

JUN 21 2010

UNITED STATES OF AMERICA

v.

RONALD HARRIS, JR.
STERLING BRUCE, and
SABIR MUHAMMAD

CLARE C. CECCHI, U.S.M.J.
: HON. CLAIRE C. CECCHI
:
: Magistrate No. 10-4090 (CCC)
:
: **CRIMINAL COMPLAINT**
:

I, Patricia A. Mathews, being duly sworn, state the following is true and correct to the best of my knowledge and belief. From at least as early as 2005 to in or about 2008, in Essex County, in the District of New Jersey and elsewhere, defendants RONALD HARRIS, JR. STERLING BRUCE, and SABIR MUHAMMAD did:

SEE ATTACHMENT A

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

I further state that I am a Postal Inspector with the U.S. Postal Inspection Service, and that this complaint is based on the following facts:

SEE ATTACHMENT B



Patricia A. Mathews
Postal Inspector
U.S. Postal Inspection Service

Sworn to before me and subscribed in my presence,
on June 21, 2010 at Newark, New Jersey

HONORABLE CLAIRE C. CECCHI
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

ATTACHMENT A

From at least as early as 2005 to in or about 2008, in Essex County, in the District of New Jersey and elsewhere, defendants RONALD HARRIS, JR., STERLING BRUCE, and SABIR MUHAMMAD did:

knowingly and intentionally conspire and agree with each other and others to devise a scheme and artifice to defraud homeowners who were facing foreclosure and lenders who made mortgage loans, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce writings, signs and signals for the purpose of executing such scheme and artifice, contrary to Title 18, United States Code, Section 1343, in violation of 18 U.S.C. § 1349.

ATTACHMENT B

I, Patricia A. Mathews, am a Postal Inspector with the United States Postal Inspection Service. I have knowledge about the facts set forth below from my involvement in the investigation, review of reports and documents, and discussions with other law enforcement officials. This complaint is submitted for a limited purpose, and I have not set forth each and every fact that I know concerning this investigation. All statements described herein are relayed in substance and in part.

THE PARTIES

1. At all times relevant to this complaint, defendant RONALD HARRIS, JR. ("HARRIS"), owned and operated Harris Capital and Skyline Capital Group ("Skyline Capital"). At various times, defendant HARRIS held Harris Capital and Skyline Capital out as home foreclosure rescue companies. Harris Capital and Skyline Capital operated out of 550 Broad Street, Newark, New Jersey, later out of 23 Fulton Street, Newark, New Jersey, and finally out of 1781 Springfield Avenue, Maplewood, New Jersey. In addition to owning and operating Harris Capital and Skyline Capital, defendant HARRIS also controlled various shell companies such as Olympia Financial Services ("Olympia Financial"), Bubba Holdings, Bubba Resources, and Contemporary Vision (sometimes collectively referred to herein as "Harris's Shell Companies").
2. At all times relevant to this complaint, defendant STERLING BRUCE ("BRUCE") worked with defendant HARRIS to, among other things, locate homeowners who were facing foreclosure and recruit individuals with good credit scores to act as straw buyers of the homes facing foreclosure. Defendant BRUCE also controlled various shell companies including Commonwealth Option One ("Commonwealth") and Applegate Management (sometimes collectively referred to herein as "Bruce's Shell Companies").
3. At all times relevant to this complaint, defendant SABIR MUHAMMAD ("MUHAMMAD") worked with defendants HARRIS and BRUCE to recruit individuals with good credit scores to act as straw buyers of the homes facing foreclosure. Defendant MUHAMMAD also sold a property as part of the fraudulent scheme and acted as a straw buyer on a property which he purchased in his wife's name.
4. At all times relevant to this complaint, Pia Perkinson ("Perkinson"), who is named as a co-conspirator but not charged herein, was a loan officer who worked at various times at A&E Mortgage in Woodbridge, New Jersey and First Option Mortgage in Carteret, New Jersey. Perkinson assisted defendants HARRIS, BRUCE, and MUHAMMAD and others in their fraudulent mortgage foreclosure rescue scheme by applying for loans for straw buyers based on fraudulent loan applications and false accompanying documents that defendants HARRIS and BRUCE submitted. Perkinson also participated in the fraud by acting as a straw buyer for two properties which defendant BRUCE recruited her to buy. During those transactions, Perkinson submitted fraudulent loan applications on her own behalf.

THE FRAUDULENT SCHEME

5. At all times relevant to this complaint, defendants HARRIS, BRUCE, and MUHAMMAD conspired with each other and others to defraud homeowners who were facing foreclosure and lenders who made mortgage loans, by making materially false and fraudulent pretenses, representations and promises, and causing interstate wire transfers in furtherance of the fraud.
6. Defendants HARRIS and BRUCE targeted persons in New Jersey who had equity in their homes but were facing foreclosure because of their inability to make their monthly payments.
7. Defendants HARRIS and BRUCE fraudulently promised to help the homeowners avoid foreclosure, keep their homes and repair their damaged credit. The homeowners were instructed to permit title to their homes to be put in the names of third party purchasers (the "straw buyers") for approximately six months to one year, during which time defendants HARRIS and BRUCE promised to improve the homeowners' credit ratings, help them obtain more favorable mortgages on their homes and ultimately, return to them the title to their homes. To other homeowners who were interested in selling their homes and moving out, defendants HARRIS and BRUCE promised to sell the homes for them.
8. Also as part of their scheme, defendants HARRIS, BRUCE, and MUHAMMAD recruited individuals with good credit scores to act as straw buyers of the homes facing foreclosure. Defendants HARRIS, BRUCE, and MUHAMMAD typically told these individuals that they were helping someone to save their home and they would make money when they sold the property back to the current owner after approximately one year. The straw buyers were also told that the rental income stream from the residents of the subject property would be more than sufficient to cover all mortgage payments and other costs of ownership.
9. Once the straw buyers had been recruited, defendants HARRIS and BRUCE, and Perkinson, submitted and caused to be submitted to mortgage lenders fraudulent loan applications in the straw buyers' names. These applications contained material false personal and financial information about the straw buyers, such as misstating their employment, income, and assets, among other things, that the lenders relied upon when deciding whether to approve the loans. For example, many of the straw buyer's loan applications stated that they worked for one of defendant HARRIS's companies making a substantial salary even though the straw buyer had never been employed by HARRIS or one of his companies. Additionally, fraudulent investment account statements were regularly submitted with a straw buyer's loan application to support the inflated assets claimed on the application even though the straw buyer usually never had an account at the financial institution identified on the fraudulent statements.

10. Defendants HARRIS, BRUCE, and MUHAMMAD also used many of the straw buyers to fraudulently obtain mortgage loans for multiple properties without always fully disclosing those other transactions involving the same straw buyers to the lenders. To minimize the risk of detection by any of the lenders, these loan applications were often presented to different lenders and the loans were closed within a short period of time.
11. Prior to the closing of the transactions, defendants HARRIS and BRUCE would regularly file and cause to be filed liens on the properties that were to be transferred from the distressed homeowner to the straw buyer. These liens were usually for tens of thousands of dollars and would be in the name of one of Harris's Shell Companies or one of Bruce's Shell Companies. These liens were filed so that at the closings of the transactions, these liens would be paid off with the proceeds of the fraudulently obtained loans and defendants HARRIS and BRUCE would enrich themselves.
12. The defendants primarily used two settlement agents to close the fraudulent loans – an attorney, (the "Attorney") and a title company (the "Title Company"). At the closings, the settlement agent prepared HUD-1 Settlement Statements ("HUD-1s") that were supposed to accurately reflect the amounts of money due from the straw buyers and to be paid to the sellers to close the sales. In most cases, these HUD-1s were fraudulent in that they indicated that the straw buyers were paying large sums of money to the sellers at the closings even though the straw buyers never paid any money whatsoever in connection with the transactions and the sellers never received the stated amount.
13. Also at the closings, after each homeowner's debt was paid off and other fees were satisfied, the settlement agent would disburse the remainder of the loan proceeds to either defendant HARRIS or defendant BRUCE individually or in the name of one of their companies. Defendant MUHAMMAD was paid thousands of dollars by defendant HARRIS for each straw buyer he recruited who purchased properties. Additionally, as described below, defendant MUHAMMAD received approximately \$14,450 when he sold a property to a straw buyer as part of this fraudulent scheme.
14. As a result of this conspiracy, defendants HARRIS, BRUCE, and MUHAMMAD caused lenders to fund dozens of fraudulent loans worth more than \$10 million and obtained more than \$1.5 million for themselves. Of the proceeds the defendants obtained, defendant HARRIS received over approximately \$1 million himself. With that money, defendant HARRIS spent tens of thousands of dollars on golf and golf equipment, electronics, and clothing.
15. In almost all instances, mortgage payments were not made to the lenders and the loans went into default.

16. The following are examples of how the scheme worked and how defendants HARRIS, BRUCE, and MUHAMMAD fraudulently caused millions of dollars of loans to be funded.

Monticello Avenue, Newark, New Jersey

17. In or about February, 2007, defendants HARRIS and BRUCE caused a false mortgage loan application and a fraudulent interstate wire transmission to be made for the purchase of a home on Monticello Avenue, Newark, New Jersey ("Monticello Avenue Property").
18. More specifically, W.D., who was facing foreclosure, received an unsolicited visit by an uncharged co-conspirator who claimed to work for defendant HARRIS. W.D. was told that defendant HARRIS could assist in preventing the foreclosure of W.D.'s home. W.D. was told that the process involved him selling his home to a third party for a period of approximately six months during which time he would remain in the house, would pay rent, and would be able to improve his credit. W.D. was also told after his credit improved, the house would be turned back over to him. After expressing interest, W.D. was directed to visit defendant HARRIS's office.
19. Shortly after this conversation, W.D. went to defendant HARRIS's office and met with defendants HARRIS and BRUCE. During their meeting, defendants HARRIS and BRUCE represented that they would be able to save his home from foreclosure in the manner he had been told.
20. In or about 2006, defendant HARRIS recruited E.H. to act as a straw buyer of three homes, one of which was the Monticello Avenue Property. E.H. had met defendant HARRIS because their daughters played on the same basketball team. Defendant HARRIS told E.H. that he was in the business of assisting people with homes that were close to foreclosure and that he needed people with good credit to take possession of the homes for a short period of time so that the current homeowners could get their financial condition in order. Defendant HARRIS told E.H. that he could purchase the homes from the distressed homeowners, collect rent from them for a year, and then sell the property back to them at a premium. Defendant HARRIS explained that this was a win-win process because the financially troubled homeowner would keep his home while at the same time E.H. would make a profit. Defendant HARRIS also introduced E.H. to defendant BRUCE and claimed that BRUCE was his property manager.
21. Between in or about December 2006 and in or about November 2007, defendants HARRIS and BRUCE located and caused E.H. to purchase three properties. For all three properties, defendants HARRIS and BRUCE procured fraudulent loans to finance the purchases. One of those loans was in connection with E.H.'s purchase of the Monticello Avenue Property.

22. In connection with that loan, in or about January 2007, defendant HARRIS caused Perkinson to submit a false loan application in the name of E.H. to CIT Group. Perkinson received all of the information that was ultimately included in the loan application directly from defendant HARRIS, not from E.H. The application falsely indicated that E.H. worked as a manager at Harris Capital for the previous two years and that he made over \$6,000 a month in that position. In fact, E.H. never worked at Harris Capital or any other company controlled by defendant HARRIS. The application also falsely represented that E.H. was going to occupy the Monticello Avenue Property as his primary residence. Based in part on the false statements contained in the loan application, CIT Group approved E.H. for an approximately \$325,000 loan.
23. On approximately January 18, 2007 and prior to the closing of this transaction, Bubba Holdings, a company defendant HARRIS and his wife B.H. controlled, filed and recorded an approximately \$84,238 lien against the Monticello Avenue Property even though Bubba Holdings had no basis to file that lien.
24. The closing of this transaction took place on or about February 5, 2007 at the Title Company's office and both defendants HARRIS and BRUCE were present. On that day, CIT Group transferred the proceeds of the loan, approximately \$321,675, to the Title Company by check. With those funds, the Title Company paid off W.D.'s outstanding mortgage by transferring approximately \$209,352 via interstate wire transfer to Countrywide Mortgage. To pay off the fraudulent lien described above, the Title Company also issued an approximately \$82,664 check to Bubba Holdings. Two days later, that check was deposited in Bubba Resources account maintained at Commerce Bank in New Jersey. Defendant HARRIS's wife, B.H., was the sole signatory on the Bubba Resources account. Within days, B.H. transferred approximately \$61,000 to Harris Capital and took out approximately \$16,000 in cash.
25. The mortgage for the Monticello Avenue Property went into default for non-payment shortly thereafter.

Rutledge Avenue, East Orange, New Jersey

26. In or about March 2008, defendants HARRIS, BRUCE, and MUHAMMAD caused a false mortgage loan application and a fraudulent interstate wire transmission to be made for the purchase of a home on Rutledge Avenue, East Orange, New Jersey ("Rutledge Avenue Property").
27. In or about 2006, defendants HARRIS, BRUCE, and MUHAMMAD recruited D.B. to act as a straw buyer of three homes, one of which was the Rutledge Avenue Property. At the time, D.B. was a law student who was also interning at a law office in Hillsborough, New Jersey. Defendant MUHAMMAD was a client of the law firm and D.B. met him in that capacity. Defendant MUHAMMAD identified himself to D.B. as being, in part, a real

estate investor. Defendant MUHAMMAD told D.B. that it was a good time to invest in real estate and asked if D.B. wanted to invest in properties with him. Defendant MUHAMMAD told D.B. that they would split any profits evenly.

28. In furtherance of the scheme, in or about November or December 2007, defendant MUHAMMAD introduced D.B. to defendants HARRIS and BRUCE at Harris Capital's office in Maplewood, New Jersey. Defendant HARRIS explained his business to D.B. in a substantially similar fashion to how he described it to E.H. as described above. Defendant HARRIS again introduced defendant BRUCE as someone who helped him manage properties.
29. Between February 2008 and April 2008, defendants HARRIS, BRUCE, and MUHAMMAD located and caused D.B. to purchase three properties. For all three properties, defendants HARRIS, BRUCE, MUHAMMAD and others procured fraudulent loans to finance the purchases. One of those loans was in connection with D.B.'s purchase of the Rutledge Avenue Property.
30. In connection with that loan, in or about January 2008, defendant HARRIS caused Perkinson to submit a loan application in the name of D.B. to IndyMac Bank, F.S.B. ("IndyMac") that contained a number of false statements. Perkinson received all of the information that was ultimately included on the loan application directly from defendant HARRIS, not from D.B. Of note, the loan application falsely stated that D.B. worked as a finance manager at Skyline Capital for the previous four years and that he made approximately \$10,000 a month in that position, that D.B. had approximately \$131,000 in an account at "GunnAllen Financial," and that D.B. was going to live in the Rutledge Avenue Property as his primary residence. In fact, D.B. never worked at Skyline Capital or any other company controlled by Harris, never had an account at GunnAllen Financial, and never intended on living in the Rutledge Avenue Property.
31. Prior to the closing of this transaction, in or about, October 2007, Olympia Financial, a company defendant HARRIS controlled, filed and recorded an approximately \$57,321 lien against the Rutledge Avenue Property even though Olympia Financial had no basis to file that lien.
32. The closing of this transaction took place on or about March 27, 2008 at the Attorney's office and defendants HARRIS, BRUCE, and MUHAMMAD were all present. The HUD-1 generated as part of this transaction contained false information. Specifically, the HUD-1 falsely stated that the borrower, D.B., had paid approximately \$30,000 and that the sellers, J.T. and L.T., received approximately \$32,777 at the closing. In fact, however, D.B. paid no monies at the closing and the sellers received none of the proceeds. Despite the fact that D.B. contributed no money, a false and fraudulent check in the amount of \$30,000, purportedly from D.B.'s account at GunnAllen Financial payable to C.B., was submitted with the closing documents.

33. Based in part on the false information contained in the HUD-1, the loan application, and other fraudulent documents submitted therewith, IndyMac approved D.B. for an approximately \$270,000 loan, the proceeds of which they funded at the closing via interstate wire transfer into the Attorney's trust account at Bank of America in New Jersey.
34. With a portion of the proceeds of the loan, the Attorney wrote two checks to Olympia Financial which totaled over approximately \$32,500. Both checks were deposited into Olympia Financial's account at Commerce Bank in New Jersey.
35. The mortgage for the Rutledge Avenue Property went into default for non-payment shortly thereafter.

Honiss Street, Belleville, New Jersey

36. In or about December 2007, defendants HARRIS, BRUCE, and MUHAMMAD caused a false mortgage loan application and a fraudulent interstate wire transmission to be made for the purchase of a home on Honiss Street, Belleville, New Jersey ("Honiss Street Property").
37. In or about 2007, defendants HARRIS, BRUCE, and MUHAMMAD recruited W.H. to act as straw buyer of four homes, one of which was the Honiss Street Property. Defendant MUHAMMAD had met W.H. through his nephew who was friends with W.H. Defendant MUHAMMAD portrayed himself to W.H. as a real estate expert who was worth millions of dollars. Defendant MUHAMMAD suggested to W.H. that they should buy properties together using W.H.'s credit and then later transfer those properties to a company that they would both own a piece of. When W.H. expressed interest, defendant MUHAMMAD explained that defendant HARRIS would find properties for them to buy and facilitate the transactions.
38. In late 2007, defendant MUHAMMAD introduced W.H. to defendant HARRIS at his office in Maplewood, New Jersey. Defendant HARRIS explained his business to W.H. in a substantially similar fashion to how he described it to E.H. as described above. Defendant HARRIS again identified defendant BRUCE as someone who helped manage properties.
39. Between December 2007 and January 2008, defendants HARRIS, BRUCE and MUHAMMAD located and caused W.H. to purchase four properties. For all four properties, defendants HARRIS, BRUCE, MUHAMMAD and others procured fraudulent loans to finance the purchases. One of those loans was in connection with W.H.'s purchase of the Honiss Street Property.

40. In connection with that loan, in or about December 2007, defendant HARRIS caused Perkinson to submit a loan application in the name of W.H. to IndyMac that contained a number of false statements. Perkinson received all of the information that was ultimately included in the loan application directly from defendant HARRIS, not from W.H. Of note, the loan application falsely stated that W.H. had assets in excess of \$220,000 in an account with "Capital Suisse Investments" and that the property would be W.H.'s primary residence. In reality, W.H. never had an account at Capital Suisse Investments nor did he plan on residing in the Honiss Street Property. To support the false statement regarding W.H.'s assets, defendant HARRIS provided Perkinson with fraudulent financial statements purportedly from Capital Suisse Investments that indicated that W.H. had over \$220,000 in an account. Perkinson submitted these bogus financial statements to the lender with the loan application.
41. Prior to the closing of this transaction, Olympia Financial filed and recorded an approximately \$47,547 lien against the Honiss Street Property even though Olympia Financial had no basis to file that lien.
42. The closing of this transaction took place on or about December 13, 2007 at the Title Company's office and defendants HARRIS and BRUCE were present. The HUD-1 generated as part of this transaction also contained false information. Specifically, the HUD-1 falsely stated that the borrower, W.H., had paid approximately \$58,621 and that the seller, R.C., received approximately \$75,504 at the closing. In fact, however, D.B. paid no monies at the closing and the seller did not receive what the HUD-1 claimed. Despite the fact that D.B. contributed no money, a false and fraudulent check in the amount of approximately \$58,621, purportedly from W.H.'s account at Capital Suisse payable to R.C., was submitted with the closing documents.
43. Based in part on the false information contained in the HUD-1, the loan application, and other fraudulent documents submitted therewith, IndyMac approved W.H. for an approximately \$382,500 loan, the proceeds of which they funded at the closing via interstate wire transfer into the Title Company's account at Commerce Bank in New Jersey.
44. With a portion of the proceeds of the loan, Olympia Financial received an approximately \$61,725 check which was deposited into its bank account maintained at Commerce Bank in New Jersey.
45. The mortgage for the Honiss Street Property went into default for non-payment shortly thereafter, was foreclosed upon, and on May 4, 2009, the property was sold in a short-sale for \$140,000. The short-sale price was over \$200,000 less than IndyMac had lent for this transaction.

Jackson Avenue, Elizabeth, New Jersey

46. In or about May 2007, defendant HARRIS, defendant BRUCE, and Perkinson caused a false mortgage loan application and fraudulent interstate wire transmission to be made in connection with Perkinson's purchase of a home on Jackson Avenue, Elizabeth, New Jersey ("Jackson Avenue Property").
47. After she had already helped obtain a number of fraudulent loans for straw buyers as part of this scheme, defendant BRUCE approached Perkinson sometime in 2007 and asked if she would purchase two homes from people who were in or close to foreclosure. Defendant BRUCE offered Perkinson approximately \$20,000 for each home she purchased.
48. Between May 2007 and June 2007, defendant BRUCE located and caused Perkinson to purchase two properties. Defendant BRUCE and Perkinson procured loans to finance those purchases through fraudulent loan applications and other documents. One of those loans was in connection with Perkinson's purchase of the Jackson Avenue Property.
49. In or about May 2007, defendant BRUCE and Perkinson submitted and caused to be submitted a false loan application in Perkinson's name to First Franklin Corporation ("First Franklin"). The application falsely stated that Perkinson had assets in excess of \$88,000 in an account with "Andrew Garrett." In fact, Perkinson never had an account with Andrew Garrett. Submitted with the false loan application were fraudulent financial statements purportedly from Andrew Garrett that indicated that Perkinson had over \$88,000 in an account. These fraudulent Andrew Garrett statements were virtually identical in form and substance as the Capital Suisse financial statements submitted in support of W.H.'s Honiss Street loan described above except that the name and logo of the financial institution had been changed as well as the amount of money in the account.
50. Prior to the closing of this transaction, in or about April 2007, Commonwealth, a company defendant BRUCE controlled, filed an approximately \$72,569 lien against the Jackson Avenue Property even though Commonwealth had no basis to file that lien.
51. The closing of this transaction took place on or about May 14, 2007 at the Title Company's office. The HUD-1 generated as part of this transaction also contained false information. Specifically, the HUD-1 falsely stated that Perkinson, as the borrower, had paid approximately \$24,000 at the closing. In fact, however, Perkinson paid no monies at the closing. Despite this fact, a false and fraudulent check in the amount of \$24,000, purportedly from Perkinson's account at Andrew Garrett payable to the seller, was submitted to the lender with the closing file.
52. Based in part on the false information contained in the HUD-1, the loan application, and other fraudulent documents submitted therewith, First Franklin approved Perkinson for an

approximately \$216,000 loan, the proceeds of which it funded at the closing via interstate wire transfer into the Title Company's account.

53. With a portion of the proceeds of the loan, Commonwealth received an approximately \$72,644 check. After the closing of the transaction and as he had promised her, defendant BRUCE paid Perkinson thousands of dollars for her involvement in the transaction.
54. The mortgage for the Jackson Avenue Property went into default for non-payment shortly thereafter.

New England Terrace, Orange, New Jersey

55. In or about November 2007, defendants HARRIS and MUHAMMAD caused a false mortgage loan application and fraudulent interstate wire transmission to be made in connection with defendant MUHAMMAD's wife, C.M.'s, purchase of a home on New England Terrace, New Jersey ("New England Terrace Property").
56. In or about October 2007, defendants HARRIS and MUHAMMAD submitted and caused to be submitted a false loan application in C.M.'s name to Lydian Mortgage. The application falsely stated that C.M. worked as a manager at Harris Capital for the previous five years making over \$9,700 a month. Submitted with the loan application were two earnings statements purportedly from Harris Capital showing that C.M. was making approximately \$9,791 every two weeks. In fact, C.M. never worked at Harris Capital or any other company controlled by defendant HARRIS and the earning statements submitted with the loan application were fake.
57. The loan application also falsely claimed that C.M. had assets in excess of \$90,000 in an account with Andrew Garrett. In fact, C.M. never had an account with Andrew Garrett. Submitted with the false loan application were the same type of fraudulent financial statements as those described above that claimed that C.M. had over \$90,000 in an Andrew Garrett account.
58. Prior to the closing of this transaction, in or about October 2007, Olympia Financial filed and recorded an approximately \$42,547 lien against the New England Terrace Property even though Olympia Financial had no basis to file that lien.
59. The closing of this transaction took place on or about November 27, 2007 at the Title Company's office. The HUD-1 generated as part of this transaction contained false information. Specifically, the HUD-1 falsely stated that C.M., as the borrower, had paid approximately \$81,286 at the closing. In fact, however, C.M. paid no monies at the closing.

60. Based in part on the false information contained in the HUD-1, the loan application, and other fraudulent documents submitted therewith, Lydian Mortgage approved C.M. for an approximately \$280,000 loan, the proceeds of which they funded at the closing via interstate wire transfer into the Title Company's account.
61. With a portion of the proceeds of the loan, Olympia Financial received an approximately \$25,929 check which was deposited into Olympia Financial's bank account maintained at Commerce in New Jersey.
62. The mortgage for the New England Terrace Property went into default for non-payment shortly thereafter.
63. Defendant MUHAMMAD has stated to law enforcement that he, not his wife, was the person who was responsible for the purchase of the New England Terrace property and that he purchased the property in her name because she had better credit than he did.

21st Street, Irvington, New Jersey

64. In or about July 2008, defendant HARRIS, defendant MUHAMMAD, and Perkinson caused a false mortgage loan application and fraudulent interstate wire transmission to be made in connection with the sale of a home defendant MUHAMMAD owned on 21st Street, Irvington, New Jersey ("21st Street Property").
65. In or about March 2008, defendants HARRIS and MUHAMMAD recruited T.D. to act as straw buyer of the 21st Street Property. A friend of T.D.'s had introduced him to defendant HARRIS as someone who could help him invest in real estate. T.D. met with defendants HARRIS and MUHAMMAD at HARRIS's office. Defendant HARRIS explained to T.D. that he helped people whose homes were in foreclosure keep their homes. T.D. express an interest to defendants HARRIS and MUHAMMAD in purchasing a home for investment purposes.
66. In or about July 2008, defendant HARRIS caused PERKINSON to submit a false loan application in T.D.'s name to Citi Mortgage. The loan application falsely claimed that T.D. had assets of approximately \$149,000 in an account with Bank of America. Submitted with the loan application was a Bank of America statement from May through June 2008 that showed that T.D. had over \$170,000 in his account. This bank statement had been fraudulently altered because while T.D. did in fact have an account at Bank of America, between May and June 2008, the most money he had in the account was approximately \$2,120.
67. The closing of this transaction took place on or about July 23, 2008 at the Attorney's office. The HUD-1 generated as part of this transaction also contained false information. Specifically, the HUD-1 falsely stated that the borrower, T.D., had paid approximately \$82,236 and that the seller, defendant MUHAMMAD received approximately \$172,670

at the closing. In fact, however, T.D. paid no monies at the closing. Despite this fact, a false and fraudulent check in the amount of approximately \$82,236, purportedly from T.D.'s account at Bank of America payable to defendant MUHAMMAD, was submitted with the closing documents. The HUD-1 was also false because defendant MUHAMMAD received approximately \$14,450 at the closing, not the \$172,670 the HUD-1 claimed.

68. Based in part on the false information contained in the HUD-1, the loan application, and other fraudulent documents submitted therewith, Citi Mortgage approved T.D. for an approximately \$247,500 loan, the proceeds of which they funded at the closing via interstate wire transfer into the Attorney's trust account at Bank of America in New Jersey.
69. With a portion of the proceeds of the loan, the Attorney wrote an approximately \$14,450 check to Nu World Investments, which was a company defendant MUHAMMAD controlled. The Attorney also wrote two checks totaling approximately \$75,983 to Harris Capital. While Harris Capital had not filed a fraudulent lien in connection with this transaction, defendant MUHAMMAD had signed a letter authorizing all of the excess loan proceeds minus the approximately \$14,450 he received be given to Harris Capital.
70. The mortgage for the 21st Street Property went into default for non-payment shortly thereafter.

Meacham Avenue, Linden, New Jersey

71. In or about June 2007, defendant HARRIS and Perkinson caused a false mortgage loan application and fraudulent interstate wire transmission to be made in connection with defendant HARRIS's mother, C.H.'s, purchase of a home on Meacham Avenue, Linden, New Jersey ("Meacham Avenue Property").
72. Between June 2007 and July 2007, defendant HARRIS's mother, C.H., purchased two homes as part of this fraudulent scheme. Defendant HARRIS and Perkinson procured loans to finance those purchases through fraudulent loan applications and other documents. One of those loans was in connection with C.H.'s purchase of the Meacham Avenue Property.
73. In connection with that loan, in or about June 2007, defendant HARRIS caused Perkinson to submit a loan application in the name of C.H. to First Franklin that falsely stated that C.H. had assets in excess of approximately \$110,000 in an account with "Andrew Investment Co." Submitted with the false loan application were bogus financial statements purportedly from "Andrew Garrett" that indicated that C.H. had over \$200,000 in an account. While C.H. did, in fact, have an account at Andrew Garrett at one time, that account was closed in November 2005 and the largest balance the account ever had was approximately \$403.

74. Prior to the closing of this transaction, in or about April 2007, Olympia Financial filed and recorded an approximately \$96,238 lien against the Meacham Avenue Property even though Olympia Financial had no basis to file that lien.
75. The closing of this transaction took place on or about June 21, 2007 at the Title Company's office. The HUD-1 generated as part of this transaction contained false information. Specifically, the HUD-1 falsely stated that C.H., as the borrower, had paid approximately \$91,000 at the closing. In fact, however, C.H. paid no monies at the closing. Despite this fact, a false and fraudulent check in the amount of \$91,000, purportedly from C.H.'s account at Andrew Garrett payable to the seller, was submitted with the closing file.
76. Based in part on the false information contained in the HUD-1, the loan application, and other fraudulent documents submitted therewith, First Franklin approved C.H. for an approximately \$364,000 loan, the proceeds of which they funded at the closing via interstate wire transfer into the Title Company's account.
77. With a portion of the proceeds of the loan, Olympia Financial received an approximately \$55,434 check which was deposited into Olympia Financial's bank account.
78. Approximately six months after the closing of this transaction, straw buyer W.H., who is described above, purchased the Meacham Avenue Property from C.H. in another fraudulent transaction arranged by defendants HARRIS, BRUCE, and MUHAMMAD.