



U.S. Department of Justice

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Eastern District of New York*

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FOR IMMEDIATE RELEASE

October 5, 2011

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PRESS RELEASE

SIX INDICTED IN \$25 MILLION MORTGAGE FRAUD SCHEME

Defendants Include Two Attorneys, Loan Officer and Real Estate Agent

A federal grand jury in Brooklyn returned a superseding indictment charging six defendants with a mortgage fraud scheme in which they fraudulently obtained over \$25 million in loans.¹ The indictment alleges the defendants conspired to defraud financial institutions, including Countrywide Financial, Fremont Investment and Loan, IndyMac Bank, National City Corporation, Sun Trust Mortgage, Inc. and Wells Fargo & Company, and wholesale mortgage lenders, including Lend-Mor Mortgage Bankers Corporation, Mortgage Lenders Network USA and New Century Mortgage Corporation. Attorneys Matthew Burstein and Aaron Rabinowitz, real estate agent Elias Compres, loan officers Arturo Giraldo and John Constantanides, together with Rolando E. Roldan, are charged with conspiracy to commit bank and wire fraud; Burstein, Compres, Rabinowitz and Roldan are also charged with wire fraud.

The superseding indictment was announced by Loretta E. Lynch, United States Attorney for the Eastern District of New York, Janice K. Fedarcyk, Assistant Director-in-Charge of the Federal Bureau of Investigation, New York Field Office; Jon T. Rymer, Inspector General, Federal Deposit Insurance Corporation; and Kevin Chan, Acting Special Agent-in-Charge, Department of Housing and Urban Development, Office of Inspector General. The defendants' initial appearances and arraignments are scheduled later today before United States Magistrate Judge Robert M. Levy, at the U. S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York. The case has been assigned to United States District Judge Allyne R. Ross.

As detailed in the superseding indictment, from January 2001 to July 2010, the defendants obtained mortgage loans from lending institutions through fraudulent means,

¹ The charges announced today are merely allegations, and the defendants are presumed innocent unless and until proven guilty.

including submitting false loan applications to make borrowers appear more creditworthy – enabling the defendants to profit from commissions and loan fees – and by preparing documents, such as HUD forms, designed to deceive the lending institutions about the disbursements made at closings. In many instances, the purchasers subsequently failed to make mortgage payments to the lending institutions, and the loans are now in default.

“Our real estate markets rely on the integrity of its members,” stated United States Attorney Lynch. “For almost a decade, these defendants allegedly used a trail of false documents and broken promises to enrich themselves to the tune of millions. We will vigorously investigate and prosecute those – including attorneys and other licensed professionals – who compromise positions of trust and perpetrate mortgage fraud.” Ms. Lynch extended her grateful appreciation to the agencies that participated in this investigation.

FBI Assistant Director-in-Charge Fedarcyk stated, “These defendants include attorneys with ethical as well as legal responsibilities, and loan officers with fiduciary responsibilities. What all the defendants allegedly have in common is a willingness to flout these responsibilities - and the law - to line their pockets. The FBI remains determined to police and prevent mortgage fraud.”

FDIC Inspector General Rymer stated, “We are once again pleased to join our law enforcement colleagues in defending the integrity of the financial services industry by combating mortgage fraud. We are particularly concerned in cases like this one where attorneys and other professionals have allegedly misused their positions of trust and whose charged fraudulent activities in committing mortgage fraud may have contributed to a loss to the Deposit Insurance Fund. We are committed to continuing our investigations of criminal misconduct to help maintain the safety and soundness of the nation’s financial institutions and the viability of the Fund.”

HUD/OIG Acting Special Agent-in-Charge Chan stated, “This investigation demonstrates HUD/OIG’s commitment to working with our law enforcement partners and the U.S. Attorney’s Office to protect the integrity of FHA assets. Mortgage fraud strikes at the economic heart of the American system, and we are committed to uncovering and prosecuting such criminal activity.”

The maximum term of imprisonment for any defendant convicted of conspiracy to commit bank and wire fraud is 30 years. The indictment also seeks forfeiture of the proceeds of the defendants’ crimes, including a criminal forfeiture money judgment and proceeds traceable to the offenses.

The government’s case is being prosecuted by Assistant United States Attorney Alexander A. Solomon.

The Defendants:

MATTHEW BURSTEIN

Age: 40

ELIAS COMPRES

Age: 52

JOHN CONSTANTANIDES

Age: 39

ARTURO GIRALDO

Age: 41

AARON RABINOWITZ

Age: 40

ROLANDO E. ROLDAN

Age: 35