

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

No. 08-2923-DUBE'

UNITED STATES OF AMERICA

vs.

MAGILE CRUZ
a/k/a
MAGELE CRUZ-RODRIGUEZ
Defendant.

_____ /

CRIMINAL COVER SHEET


1. Did this matter originate from a matter pending in the Northern Region of the United States Attorney's Office prior to October 14, 2003? _____ Yes X No

2. Did this matter originate from a matter pending in the Central Region of the United States Attorney's Office prior to September 1, 2007? _____ Yes x No

Respectfully submitted,

R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY

BY:



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AO 91 (Rev. 5/85) Criminal Complaint

United States District Court

SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

v.

MAGILE CRUZ
a/k/a
MAGELE CRUZ-RODRIGUEZ

(Name and Address of Defendant)

CRIMINAL COMPLAINT

CASE NUMBER: 08-2923-DUBE'

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. On or about January 2005 in Miami-Dade county, in the Southern District of Florida defendant(s) did, (Track Statutory Language of Offense)

knowingly and willfully conspire to commit mail fraud and wire fraud and did willfully commit mail fraud and wire fraud in that she devised a scheme to defraud and to obtain the money and property by means of false and fraud pretenses, representations or promises, knowing that they were false and fraudulent when made and transmitted and caused to be transmitted communications in interstate commerce for the purpose of executing the scheme, and caused to be delivered certain mail matter by the U.S. Postal Service or private courier

in violation of Title 18 United States Code, Section(s) 1349, 1341 and 1343

I further state that I am a(n) _____ and that this complaint is based on the following facts:
Official Title

Continued on the attached sheet and made a part hereof:

Yes No

Ryan Sloan
Signature of Complainant

Sworn to before me and subscribed in my presence,

7/12/08
Date

ROBERT L. DUBÉ
UNITED STATES MAGISTRATE JUDGE
Name & Title of Judicial Officer

at Miami, Florida
City and State

Robert L. Dubé
Signature of Judicial Officer

AFFIDAVIT

I, Ryan Salinas, declare under penalty of perjury, that the following is true and correct to the best of my knowledge and information:

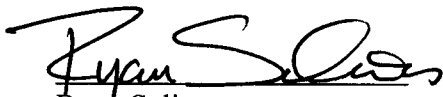
1. I am a Postal Inspector employed by the United States Postal Inspection Service. I have been employed as a Postal Inspector for over two years. Prior to being employed by the U.S. Postal Inspection Service I graduated from South Texas College of Law after receiving a Juris Doctorate degree. I received approximately twelve weeks of intense, rigorous training, including how to conduct investigations related to white collar crimes and mail fraud at the U.S. Postal Inspection Service Academy in Potomac, Maryland. As a Postal Inspector, I am authorized to investigate violations of laws of the United States and to execute warrants issued under the authority of the United States.
2. I am familiar with the information contained in this affidavit based upon my own participation in the investigation, my review of documents and records, review of interviews and statements, and conversation and briefings I have had with other law enforcement agents. This affidavit does not represent every fact known to me with respect to this investigation. I have set forth only the facts I believe are necessary to support the charges in the criminal complaint that violations of federal law have occurred.
3. This Affidavit is submitted in support of a Complaint against **MAGILE CRUZ ak/k/a MAGELE CRUZ-RODRIGUEZ** for violations of Title 18, United States Code, Sections 1349, 1341 and 1343.
4. The investigation has revealed that **MAGILE CRUZ** was the de facto owner and operator of Star Lending Mortgage, State Mortgage Lending, Sherley Title Services, Doral Title Services, and Professional Title Express.
5. Since 2005, **MAGILE CRUZ** and her co-conspirators have submitted fraudulent mortgage loan, closing and title documentation to lenders throughout the United States, causing lenders, who were unaware of the fraud, to fund fraudulent loans.
6. The defendant and her co-conspirators would utilize the credit of straw buyers in order to obtain loans in the straw buyers' names. The defendant and her co-conspirators informed the straw buyers that in exchange for being paid a fee, a property would be purchased in their names and the straw buyers would not have to pay on the mortgage loan for the first year. The straw buyers were also told that the property would be resold after the year. In most instances, **MAGILE CRUZ** initially paid the straw buyers \$5,000 for the use of their credit.
7. Investigation has revealed that in some cases when purchase contracts were cancelled **MAGILE CRUZ** and her coconspirators would nonetheless complete loan documents and submit those loan documents to lenders without the legitimate sellers' knowledge. These "fake sales" were made substituting straw buyers as the borrowers.

8. **MAGILE CRUZ** and her co-conspirators would submit fraudulent documentation to lenders throughout the United States in order to induce their funding of mortgage loans. Among the fraudulent documents provided to the lenders by **CRUZ** were false employment information, falsified verifications of employment, false banking information, and false verifications of deposit.
9. As part of the fraudulent loan documentation submitted to the lenders, **MAGILE CRUZ** and her co-conspirators would represent themselves to be agents for the title insurance companies Fidelity National Title Insurance and Old Republic. They would falsely claim the subject property to be covered by title insurance. In truth, neither **CRUZ** nor her co-conspirators were agents for Fidelity National Title Insurance or Old Republic, nor were the properties covered by either title insurance company. Moreover, neither **CRUZ** nor her co-conspirators were licensed title agents within the state of Florida.
10. Lenders, after approving the loan for closing, would forward funds via wire, from outside the state of Florida, to companies owned and controlled by **MAGILE CRUZ** and her co-conspirators inside the state of Florida. Some of the funds would be used to fund the transactions, much of the money would be used by **CRUZ** and her co-conspirators for their personal benefit.
11. In many instances, **MAGILE CRUZ** and her co-conspirators would not file the warranty deeds with Miami Dade County, Clerk of Courts, in order to show the sale of property and the new owner within county records. As a result, other lenders would be unaware of the pre-existing loan or the prior sale, such that **CRUZ** and her co-conspirators could and did sell properties multiple times.
12. As part of the scheme to defraud, **MAGILE CRUZ** and her co-conspirators would file a Change of Address form with the United State Postal Service for the straw buyers without their knowledge or authorization. The forms would change the straw buyer's address from the loan property to a P.O. Box under the control of **CRUZ** and her co-conspirators. In submitting the Change of Address forms for the straw buyers, **CRUZ** and her co-conspirators concealed from the individual actually living at the address that the subject property had been fraudulently sold, and in some cases to more than one straw buyer.
13. **MAGILE CRUZ** and co-conspirators would pay the various mortgages via money orders so properties would not be foreclosed upon. This "lulling" payment was made to allow **CRUZ** and her co-conspirators the necessary time to receive multiple loans on one property. After a period of time the defendant and co-conspirators would cease making payments on the property.

5900 Collins Avenue
Apartment #607
Miami Beach, Florida

14. As part of the investigation, this affiant has interviewed S.C. who admitted that he/she was a straw buyer, recruited by co-conspirator M.C. an employee of **MAGILE CRUZ**. S.C. stated he/she was paid \$5,000 by **CRUZ** for use of his/her name and credit to purchase properties.
15. S.C. stated his/her name was used to purchase a property in South Florida. Investigation revealed that S.C.'s name was used to obtain a loan on property located at 5900 Collins Avenue, #607, Miami Beach, Florida 33140. S.C. stated he/she met with **MAGILE CRUZ** and other co-conspirators and signed various documents as part of a loan application. Shortly thereafter, on or about April 26, 2006, Popular Mortgage funded a \$420,997.50 loan to S.C. for the purchase of the Miami Beach property based on the documentation provided to it. Among the items submitted to Popular Mortgage in the loan application were false title documentation, false verification of employment and false banking information.
16. The funds from Popular Mortgage were wired from the lender's National City Bank of Kentucky bank account in Kentucky to **MAGILE CRUZ's** Doral Title Services Wachovia bank account in the Southern District of Florida.
17. Investigation has revealed the sale of 5900 Collins Avenue #607, Miami Beach, FL to S.C. for \$420,997.50 was in fact fictitious. The legitimate seller/owner of the property did enter into a sales contract with **CRUZ** and her co-conspirators but the sale was not completed and there was no purchase of the property by S.C. S.C. received \$5,000 from **MAGILE CRUZ**.
18. On June 2, 2006, the United States Postal Service received a request, via U.S. mail, to change S.C.'s address from 5900 Collins Avenue #607, Miami Beach, FL to a PO Box controlled by **CRUZ** and her co-conspirators. Investigation has revealed that this change of address was not authorized by S.C.

Based on the foregoing, your Affiant submits that there is probable cause to believe that evidence for violations of Title 18, United States Code, Sections 1349,1341 and 1343 by defendant **MAGILE CRUZ** and other known and unknown co-conspirators.



Ryan Salinas
U.S. Postal Inspector
U.S. Postal Inspection Service

Sworn and subscribed to before me this 12th day of July, 2008.



ROBERT L. DUBE
UNITED STATES MAGISTRATE JUDGE