

FILED

UNITED STATES DISTRICT COURT

2008 JUN 18 PM 2:06

WESTERN DISTRICT OF TEXAS

UNITED STATES DISTRICT COURT
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SAN ANTONIO DIVISION

CRIMINAL NO. **SA08CR403 XR**

UNITED STATES OF AMERICA

v.

FRED DeGUZMAN (1)
aka Rodolfo DeGuzman

and

VERONICA DeGUZMAN (2)

INDICTMENT

[Violations: Financial Institution Fraud &, Aiding and Abetting, 18 U.S.C. § 1344 & 2; Aggravated Identity Theft, 18 U.S.C. § 1028A]

THE GRAND JURY CHARGES:

COUNT ONE

[18 U.S.C. §§1344 & 2]

1. Beginning on or about June 25, 2007 and continuing to on or about November 5, 2007, in the Western District of Texas, the Defendants,

FRED DeGUZMAN
aka Rodolfo DeGuzman
and
VERONICA DeGUZMAN,

aided and abetted by each other and by others known and unknown to the Grand Jury, devised a scheme to defraud AmTrust Bank, JP Morgan Chase Bank, N.A., and Lehman Brothers Bank, FSB, financial institutions the deposits of which are insured by the Federal Deposit Insurance Corporation, and obtain moneys, funds, and credits owned by and under the custody and control of the financial institutions by means of false and fraudulent pretenses, representations and promises.

THE SCHEME

2. It was a part of the scheme that Defendants FRED DeGUZMAN and VERONICA DeGUZMAN would locate residential properties for sale in the San Antonio, Texas area.

3. It was further a part of the scheme that Defendants FRED DeGUZMAN and VERONICA DeGUZMAN would negotiate with the seller(s) a purchase price which was greater than the amount being asked, with the agreement that the excess amount would be secretly paid to them after closing.

4. It was further a part of the scheme that Defendant FRED DeGUZMAN would apply for mortgage loans from the financial institutions for 100% of the stated purchase amount in the name of Rodolfo DeGuzman.

5. It was further a part of the scheme that Defendants FRED DeGUZMAN and VERONICA DeGUZMAN would create and cause to be created false and fraudulent HUD-1 Settlement Statements.

6. It was further a part of the scheme that Defendants FRED DeGUZMAN and VERONICA DeGUZMAN would create and cause to be created false and fraudulent employment verification.

7. It was further a part of the scheme that once the mortgage loans were funded, and Defendants FRED DeGUZMAN and VERONICA DeGUZMAN received the kickbacks, Defendants FRED DeGUZMAN and VERONICA DeGUZMAN allowed the mortgage loans to go into default, thereby causing losses to the lenders.

THE EXECUTION

8. On or about June 25, 2007, in the Western District of Texas, the Defendants,

FRED DeGUZMAN
aka Rodolfo DeGuzman
and
VERONICA DeGUZMAN,

aided and abetted by each other and by others known and unknown to the Grand Jury, executed the scheme as set forth above by presenting to AmTrust Bank, a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation, a HUD-1 Settlement Statement which was false and fraudulent as to material matters in that it represented that the applicant/borrower for the residential property located at ##### Clementson Drive, San Antonio, Texas, was Rodolfo DeGuzman, and that the purchase price of the property was \$480,000, whereas as the Defendants then and there well knew and believed, the true buyers were Defendants FRED DeGUZMAN and VERONICA DeGUZMAN, and the true purchase price was well less than that stated.

All in violation of Title 18, United States Code, §§ 1344 & 2.

COUNT TWO
[18 U.S.C. §§1344 & 2]

1. Paragraphs 1 through 7 of Count One above are incorporated herein as if fully restated.
2. On or about August 9, 2007, in the Western District of Texas, the Defendants,

FRED DeGUZMAN
aka Rodolfo DeGuzman
and
VERONICA DeGUZMAN,

aided and abetted by each other and by others known and unknown to the Grand Jury, executed the scheme as set forth above by presenting to JP Morgan Chase, a financial institution the

deposits of which were insured by the Federal Deposit Insurance Corporation, a HUD-1 Settlement Statement which was false and fraudulent as to material matters in that it represented that the applicant/borrower for the residential property located at ### Treeline Ridge, Spring Branch, Texas, was Rodolfo DeGuzman, and that the purchase price of the property was \$615,000, whereas as the Defendants then and there well knew and believed, the true buyers were Defendants FRED DeGUZMAN and VERONICA DeGUZMAN, and the true purchase price was well less than that stated.

All in violation of Title 18, United States Code, §§ 1344 & 2.

COUNT THREE
[18 U.S.C. §§1344 & 2]

1. Paragraphs 1 through 3 and 5 through 7 of Count One above are incorporated herein as if fully restated.
2. It was further a part of the scheme that Defendants FRED DeGUZMAN and VERONICA DeGUZMAN caused a person known to the Grand Jury, but identified herein only as E.T., to falsely apply for a 100% mortgage loan.
3. On or about November 5, 2007, in the Western District of Texas, the Defendants,

FRED DeGUZMAN
aka Rodolfo DeGuzman
and
VERONICA DeGUZMAN,

aided and abetted by each other and by others known and unknown to the Grand Jury, executed the scheme as set forth above by presenting to Lehman Brothers Bank, a financial institution the deposits of which were insured by the Federal Deposit Insurance Corporation, a HUD-1 Settlement Statement which was false and fraudulent as to material matters in that it represented

that the applicant/borrower for the residential property located at ## Auburn Ridge, Spring Branch, Texas, was E.T., and that the purchase price of the property was \$600,000, whereas as the Defendants then and there well knew and believed, the true buyers were Defendants FRED DeGUZMAN and VERONICA DeGUZMAN, and the true purchase price was well less than that stated.

All in violation of Title 18, United States Code, §§ 1344 & 2.

COUNT FOUR
[18 U.S.C. § 1028A]]

1. Paragraphs 1 through 7 of Count One above are incorporated herein as if fully restated.
2. On or about June 25, 2007, in the Western District of Texas, the Defendants,

FRED DeGUZMAN
aka Rodolfo DeGuzman
and
VERONICA DeGUZMAN,

aided and abetted by each other, did knowingly use, without lawful authority, a means of identification of another person, to wit: Rodolfo DeGuzman, during and in relation to the commission of Financial Institution Fraud.

In violation of Title 18, United States Code, § 1028A(a)(1).

COUNT FIVE
[18 U.S.C. § 1028A]]

1. Paragraphs 1 through 7 of Count One above are incorporated herein as if fully restated.
2. On or about August 9, 2007, in the Western District of Texas, the Defendants,

FRED DeGUZMAN
aka Rodolfo DeGuzman
and
VERONICA DeGUZMAN,

aided and abetted by each other, did knowingly use, without lawful authority, a means of identification of another person, to wit: Rodolfo DeGuzman, during and in relation to the commission of Financial Institution Fraud.

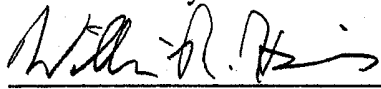
In violation of Title 18, United States Code, § 1028A(a)(1).

A TRUE BILL

FORPERSON OF THE GRAND JURY

JOHNNY SUTTON
United States Attorney

By:



WILLIAM R. HARRIS
Assistant United States Attorney