

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,
Plaintiff,

CRIMINAL NUMBER 04-80480
HONORABLE PATRICK J. DUGGAN

v.

VIOLATIONS:

- D-11 SAFI SOBH, 18 U.S.C. § 371: CONSPIRACY
 - D-2 MOHAMED HAZIME, 18 U.S.C. § 1344: BANK FRAUD
 - D-3 JAD JUDEH, 18 U.S.C. § 1028: IDENTITY THEFT
 - D-4 BASHAR FARRAJ, 18 U.S.C. § 1957: MONEY LAUNDERING
 - D-5 HASSAN ABDALLAH, 18 U.S.C. § 982: FORFEITURE
 - D-7 WAEL MORTADA, 18 U.S.C. § 2: AIDING AND ABETTING
 - D-9 AMED SHAMI,
- Defendants.

FILED
FEB 25 2004

***FIRST SUPERSEDING
INDICTMENT***

THE GRAND JURY CHARGES:

GENERAL ALLEGATIONS

At all times pertinent to this indictment:

1. **Comerica Bank, National City Bank, Ohio Savings Bank, First National Bank of Arizona, Huntington Bank, Charter One Bank / First Federal of Michigan, IndyMac**

Federal Savings Bank, Commercial Federal Bank of Nebraska, ABN AMRO / Standard Federal Bank, Bank of New York and Chase Manhattan Bank are all financial institutions as defined by Title 18, United States Code, Section 20, whose deposits are insured by the Federal Deposit Insurance Corporation.

2. **“Flipping a property”** describes a common way to obtain a fraudulent mortgage. In this scheme, one conspirator buys a run-down property, or a property in foreclosure, for a very low price. If he wishes to conceal his involvement in subsequent transactions with the property, he may quit claim it to a second conspirator. Soon after, he pays a third conspirator, who is a licensed real estate appraiser, to produce a false appraisal of the property with a grossly inflated value. He then pays a fourth conspirator to act as a nominee or “straw” buyer and apply for a mortgage on the property in the amount of the inflated appraisal. To bolster the nominee buyer’s apparent credit-worthiness, his name may be added temporarily to a fifth conspirator’s existing bank account; however, the nominee buyer is not given signatory authority over the account. False Verification of Employment (VOE) and Verification of Deposit (VOD) documents are supplied to support the mortgage application of the nominee buyer, and to persuade the lending institution that the buyer is a good risk. Relying on the false documents, the bank grants the mortgage and pays the seller the inflated value of the property at closing. The conspirators divide the proceeds of the fraud and the mortgage goes into default. The bank is left with a significant loss and worthless collateral.

3. **SAFI SOBH (D-11)** has been associated with Allied Mortgage and Allerton Financial. **SOBH** is also a part owner and officer in The Success Group. In those capacities, SOBH has on occasion represented both the buyer and the seller on the same mortgage loan transaction, obtaining commissions from both parties.

4. **MOHAMED HAZIME** (D-2) is a licensed realtor and the owner of Universal One Realty in Dearborn, Michigan. Universal One Realty has a bank account at Comerica Bank. At various times, **HAZIME** has also been associated with Metro Properties Management and Pozo Properties, Inc. Hind Hazime is the sister of **MOHAMED HAZIME**.
5. **JAD JUDEH** (D-3) is licensed by the State of Michigan to appraise properties, and does business as Jad's Appraisals, Inc. **JAD JUDEH** has done many appraisals for **SAFI SOBH** (D-11) and for Hani Mortada.
6. **BASHAR FARRAJ** (D-4) is been employed as a mortgage loan officer at Rate One Mortgage, 1st Metropolitan Mortgage, Royal Mortgage and Michigan Mortgage.
7. **HASSAN ABDALLAH** (D-5) is a mortgage loan officer at Rate One Mortgage, and the employer of **BASHAR FARRAJ** (D-4). **HASSAN ABDALLAH** (D-5) is the brother of Hanan Mouhajer.
8. **WAEEL MORTADA** (D-7) is a mortgage loan officer at Olympic Funding in Dearborn, Michigan.
9. Hani Mortada owns H&B Property Management, which has a business account at Charter One Bank. Hani Mortada operates the business out of his home.
10. Hani Mortada and **WAEEL MORTADA** (D-7) are brothers.
11. Sam Salloum is a mortgage loan officer at Dana Capital Group.
12. All **dates** in this indictment are alleged to be "**on or about**" the specific date stated.

COUNT 1
(18 U.S.C. § 371 – CONSPIRACY)

D-11 SAFI SOBH
D-2 MOHAMED HAZIME
D-3 JAD JUDEH
D-4 BASHAR FARRAJ
D-5 HASSAN ABDALLAH
D-7 WAEL MORTADA
D-9 AMED SHAMI

13. The General Allegations are incorporated into this count by reference.
14. Beginning in July of 2002 and continuing through 2005, in the Eastern District of Michigan, Southern Division, defendants **SAFI SOBH (D-11)**, **MOHAMED HAZIME (D-2)**, **JAD JUDEH (D-3)**, **BASHAR FARRAJ (D-4)**, **HASSAN ABDALLAH (D-5)**, **WAEL MORTADA (D-7)** and **AMED SHAMI (D-9)**, together with Hani Mortada, Nadiyah Al-Asadi, Mahmoud Karkaba, Sam Salloum, and others known and unknown to the grand jury, did willfully and unlawfully combine, conspire and agree together to violate Title 18, United States Code, Section 1344, **Bank Fraud**, by knowingly executing and attempting to execute a scheme or artifice to obtain money, funds, or other property owned by, or in the custody or control of, federally insured financial institutions by means of false and fraudulent pretenses, representations or promises.

OBJECTS OF THE CONSPIRACY

15. The defendants conspired and agreed with each other, and with others known and unknown to the grand jury, to defraud and to obtain money or funds in the custody and control of financial institutions by means of false and fraudulent pretenses, representations and promises, and to launder the money they obtained. During the course of the scheme, the conspirators obtained fraudulent mortgage loans on numerous properties located in the metropolitan Detroit

area, and laundered the proceeds of the fraud through various bank accounts. At times, the conspirators arranged to move proceeds of the fraud out of the United States

METHOD, MANNER AND MEANS

16. **SAFI SOBH** (D-11) furthered the objects of the conspiracy by teaching some of his co-conspirators how to commit mortgage fraud, and by orchestrating fraudulent loans himself.
- a. **SAFI SOBH** (D-11) was employed as a mortgage loan officer by Allerton Financial. **SOBH** processed new mortgage loans for buyers, and assisted home owners in obtaining re-financing on their existing mortgage loans. As a mortgage loan officer, **SOBH** was responsible for obtaining appraisals on properties, making sure the loan package was completed properly and supported by valid documents verifying the borrower's employment and deposits on hand, and securing financing. **SOBH** also submitted the completed loan package to the lending institution.
- b. **SAFI SOBH** was also the president and registered agent of The Success Group, also known as Success Group Realty, Inc., a company owned by the SOBH family. The Success Group represents the sellers in real property transactions, and also manages rental properties. The Success Group maintains accounts at Charter One Bank.
- c. **SAFI SOBH** taught classes in mortgage financing. **SOBH** gave those who completed the course a certificate indicating they are "certified mortgage consultants."
- i. **MOHAMAD HAZIME** (D-1), **BASHAR FARRAJ** (D-4) and Hani Mortada all attended **SAFI SOBH**'s classes. Because they were his "trusted students," **SOBH** recruited **HAZIME**, **FARRAJ**, Mortada and others to work with him to obtain fraudulent mortgages.

- ii. **SOBH** taught his co-conspirators how to take a any prospective buyer, disregard his actual qualifications, determine how much money he *should* make to qualify for a particular loan, and create false documents supporting that income figure.
- iii. For example, **SOBH** taught his co-conspirators several different ways to create false Verification of Employment (VOE) and Verification of Deposit (VOD) documents, in order to mislead the lending institutions about the borrower's qualifications. **SOBH** enlisted co-conspirators, including Hani Mortada, to "back stop" the false employment documents by listing their cellular phone numbers as the employer, and telling them what to say if they were called.
- iv. **SOBH** would also add borrowers to the existing bank accounts of co-conspirators, so the lending institution would be misled into believing the borrower had sufficient cash on hand to support the loan. The bank would then generate genuine but inaccurate VODs based upon the false information.
- d. In addition to training some of his co-conspirators in obtaining money from banks by fraud, **SOBH** was personally involved in obtaining at least \$2,238,600 from 19 fraudulent bank loans himself (including the loans for many of the properties described in this indictment). **SOBH** paid JAD JUDEH (D-3) and others to give him fraudulently inflated appraisals in support of the loans. For example:
 - i. In February 2003, acting through The Success Group, **SAFI SOBH** assisted Tarek Nahhas in obtaining a loan for \$212,000 to re-finance Nahhas' property at 13960 **Hubbard Street, Livonia**, Michigan. The property was appraised by JAD JUDEH (D-3) at \$265,000. The loan documents were prepared

and signed by **SAFI SOBH**, and state that **SOBH** interviewed the applicant face-to-face and obtained the information in the application directly from him. The VOE indicated that Nahhas was employed by A&S Ultra (a business owned at some time prior to February 2003 by **SAFI SOBH**) as an alignment specialist earning \$6,151 per month; however, Nahhas never worked there, and regular employees at A&S Ultra actually earn approximately \$14,000 annually (\$1,167 per month). Additionally, the VOD stated that Nahhas had \$16,912 in his own bank account; however, the true balance in the account was \$493, and the account was in Nahhas' parents' name. The loan closed on February 24, 2003, and **SAFI SOBH**'s personal profit from this transaction totaled approximately \$14,000.

ii. On February 3, 2003, **SAFI SOBH** assisted Ahmad Mokbel in obtaining \$143,500 in the re-financing of Mokbel's mortgage at **7707 / 7709 Pinehurst, Dearborn, Michigan**. The loan application was prepared and signed by **SOBH**; it included a false and forged VOE stating Mokbel was employed at Carpet City Warehouse earning \$8,482 per month. In fact, Mokbel never worked at Carpet City.

iii. On June 5, 2002, **SAFI SOBH** obtained a \$151,900 loan for Adel Hachem, the purchaser of **6851 Anthony, Dearborn, Michigan**. The loan application was hand-written and signed by **SOBH**, and indicated **SOBH** met with Hachem face-to-face to prepare the application. The application included a false VOE, indicating that Hachem worked at BACI Windows earning \$4,300 per month; in fact, Hachem never worked there. The VOD was also false: the bank account listed as one of Hachem's assets was in fact the bank account of **SAFI**

SOBH and his wife, Amal Ammar. **SOBH** also used that bank account to fraudulently support at least two other loan applications.

iv. In addition to the three loans described above and the loans described later in this Indictment, this pattern of fraudulent loan applications, including forged VOs, VODs, and other indicia of fraud, extended to at least **\$1,900,000** in fraudulent loans obtained by **SAFI SOBH** and his co-conspirators on the following twelve properties (all in Michigan):

- (1) 5430 Chase, Dearborn;
- (2) 7242 Mead, Dearborn;
- (3) 7613 Manor, Dearborn;
- (4) 5458 Williamson, Dearborn;
- (5) 6453 Coleman, Dearborn;
- (6) 7530 Horger, Dearborn;
- (7) 6871 Grandmont, Detroit;
- (8) 8515 Grayfield, Dearborn;
- (9) 6203 Ternes, Dearborn;
- (10) 4445 Helen, Dearborn;
- (11) 1222 Waterman, Detroit;
- (12) 6850 Calhoun, Dearborn.

17. Hani Mortada furthered the objects of the conspiracy in many ways. Hani Mortada orchestrated many of the fraudulent mortgage transactions by coordinating and directing the activities of loan officers, nominee buyers, collusive sellers and closing agents. At times, Hani Mortada used his business, H&B Property Management, and various bank accounts at federally insured financial institutions, to facilitate the fraudulent mortgage loans and to launder the proceeds. Hani Mortada recruited and paid individuals to act as "nominee buyers" on fraudulent real estate transactions.

a. Hani Mortada was personally involved in buying and selling several of the properties used in the fraudulent mortgage transactions.

b. On occasion, Hani Mortada provided false and forged employment and social security documents to the nominee buyers to bolster their apparent ability to qualify for a mortgage. At times, Hani Mortada added a nominee buyer's name to an existing bank account to support the verification of deposit documents provided to the mortgage lender. For example:

i. In October 2003, Hani Mortada recruited Ballel Shemmess to act as the nominee buyer for the property at **6235 Whitewood Street, Detroit**. Hani Mortada added Ballel Shemmess's name to Mortada's existing Huntington National Bank account # 02380431902, so that Shemmess would appear to qualify for a \$90,000 mortgage on the property. Hani Mortada also provided Shemmess with a counterfeit social security card bearing a false social security number, and false documents indicating that Shemmess was employed and earning \$4,000 a month. The loan never closed because the loan underwriter at the title company recognized Shemmess's social security number was fraudulent and declined to go forward with the closing.

ii. In October 2003, Hani Mortada recruited **AMED SHAMI (D-9)** to act as a nominee buyer of the property at **8052 / 8054 Mt. Olivet Street, Detroit, Michigan**. Hani Mortada offered to give SHAMI a Cadillac Escalade in return for the use of SHAMI's name on a mortgage loan. Hani Mortada also added **SHAMI's** name to Mortada's existing account at Standard Federal Bank, and filled out loan paperwork from Ohio Savings Bank using **SHAMI's** identity information. Hani Mortada obtained \$68,400 when the loan closed, and **SHAMI**

was left responsible for the debt. Hani Mortada sent a messenger to offer **SHAMI** \$11,000 to compensate him for his ruined credit, and to buy **SHAMI**'s silence.

- c. On February 25, 2004, American Titleworks disbursed checks # 52562 and #52563, both payable to Hani Mortada, as proceeds of the sale **6125 Argyle, Detroit, Michigan** to Nadiah Al-Asadi. Hani Mortada was the loan officer on that sale. Later that same day, Mortada carried those two checks out of the country in his luggage on a flight to Lebanon via Amsterdam. Subsequently, Mortada attempted to cash the checks in Lebanon, but the title company had by then recognized that the sale was fraudulent and stopped payment on the checks.

18. **MOHAMED HAZIME** (D-2) furthered the scheme in a variety of ways.

- a. At times **MOHAMED HAZIME** used several businesses, including Universal One Realty, Metro Properties Management and Pozo Properties, Inc., to arrange fraudulent loans, and used various bank accounts to launder proceeds.

- b. On at least two occasions, **MOHAMED HAZIME** participated as the seller in flipping real properties, and then laundered the proceeds of the sales through the Comerica Bank account #1851159473 of Universal One Realty.

19. **JAD JUDEH** (D-3), a licensed real estate appraiser doing business as Jad's Appraisals, Inc., knowingly furnished falsely inflated appraisals of many of the properties used in this mortgage fraud scheme to support fraudulent loan applications. **JUDEH** worked regularly for both **SAFI SOBH** (D-11) and Hani Mortada, among others. The co-conspirators paid **JUDEH** as much as \$5,000 to \$10,000, well over his usual fee, for the fraudulently inflated appraisals

20. **BASHAR FARRAJ (D-4)** furthered the objects of the conspiracy, at times using his positions as loan officer at First Metropolitan Mortgage, Rate One Mortgage, and Royal Mortgage, and his association with Professional Management Group.

a. After conspirators had acquired residences at low prices, obtained appraisals that fraudulently overstated the value of the properties, and recruited individuals to serve as nominee or "straw" buyers in fraudulent real estate transactions, **FARRAJ** secured mortgage loans from financial institutions for these residences at the inflated appraisal amount. On occasion, **FARRAJ** obtained a power of attorney from the nominee, and then represented the nominee at the closing for these fraudulent mortgage transactions.

b. **FARRAJ** was instrumental in obtaining fraudulent mortgages for the sales of several properties, including **8086 Burt, Detroit, Michigan**, and **5107 Underwood, Detroit, Michigan**.

21. **HASSAN ABDALLAH (D-5)** furthered the scheme, in part by using his business, Rate One Mortgage, to assist Sam Salloum in obtaining mortgages by fraud.

a. **ABDALLAH** was personally involved in obtaining a \$396,000 mortgage on the property at **26969 Berea Street, Dearborn Heights, Michigan**, as follows:

i. During September 2003, acting with the assistance of Sam Salloum, **ABDALLAH** facilitated the unauthorized use of the identity information of Jamileh Ajami as the straw buyer in the transaction, well-knowing that Ajami was out of the country, had no knowledge of the mortgage, and would not have authorized it.

ii. **ABDALLAH** obtained false employment verification for Ajami, which he submitted in support of the loan.

- iii. On September 3, 2003, **ABDALLAH** deposited an official Comerica check for \$21,500 into Ajami's bank account to falsely inflate her assets and make it appear that she qualified for the loan, and also to compensate her for using her identity information without her knowledge or consent.
 - iv. **ABDALLAH** obtained a false power of attorney purporting to authorize him to act on behalf of Ajami, and signed the mortgage documents at the closing.
 - v. **ABDALLAH** kept at least \$150,000 of the proceeds of the \$396,000 fraudulent mortgage for himself, laundering it through the Nation Wide Properties' business account of **ABDALLAH**'s brother-in-law, Hassan Harajily, at Comerica Bank.
- b. **ABDALLAH** also used his position at Rate One mortgage to obtain fraudulent mortgage loans from ABN AMRO / Standard Federal Bank by paying Kristy Hess, a Correspondent Service Representative for InterFirst Wholesale Mortgage, to process applications for loans that far exceeded the value of the subject properties. **ABDALLAH** usually paid Hess \$3,000 to make sure the loan applications were approved, even if this required Hess to falsely claim that the property appraisals had been submitted and that they were in order. Relying on these representations, Standard Federal approved loans and extended money for the following seven properties, among others:

	<u>property</u>	<u>appraised value</u>	<u>actual value</u>	<u>amount loaned</u>
i.	7417 Steadman Dearborn	\$374,375	\$118,000	\$299,500
ii.	7593 Sarena Detroit	\$155,000	\$64,000	\$100,750

	<u>property</u>	<u>appraised value</u>	<u>actual value</u>	<u>amount loaned</u>
iii.	7038 Evangeline Dearborn Heights	\$258,000	\$186,000	\$206,000
iv.	7651 Kendal Dearborn	\$170,000	\$123,000	\$136,000
v.	7800 Yinger Dearborn	\$375,000	\$230,000	\$295,000
vi.	5284 Larchmont Detroit	\$140,000	\$24,000	\$112,000
vii.	8863 Vaughan Detroit	\$160,000	\$53,000	\$104,000

22. Nadiah Al-Asadi furthered the objects of the conspiracy by acting as a knowing and willful "straw" buyer on several of the fraudulent real estate transactions, including the mortgages obtained by the conspirators for **6125 Argyle Street, Dearborn, Michigan, 5941 Hartwell Street, Dearborn, Michigan, and 6325 Whitewood Street, Detroit, Michigan.**

23. **Wael Mortada (D-7)** assisted the conspiracy by using his position as a loan officer at Olympic Funding, and assisting his brother, Hani Mortada, in obtaining fraudulent mortgages. **Wael Mortada** was personally involved in the mortgage transactions for the properties at **5941 Hartwell Street, Dearborn, Michigan and 6325 Whitewood Street, Detroit, Michigan.** For example, **Wael Mortada** assisted in adding Ballel Shemmess to the Huntington National Bank account of Mahmoud Karkaba, so that Shemmess would appear to be credit-worthy and qualify for the loan on **Whitewood**. **Wael Mortada** also prepared and submitted the false loan application to secure the loan on the **Hartwell Street** residence.

24. Mahmoud Karkaba furthered the objects of the conspiracy by maintaining a bank account at Huntington National Bank, and permitting Hani Mortada to add the names of nominee buyers to the account to persuade lending institutions that they were credit-worthy. Although the names

of the nominees were added to the account, the nominees were not given signatory authority on the account, and they could not withdraw money from it. Karkaba permitted the names of Ballel Shemmess and Nadiah Al-Asadi to be added to his account in support of the fraudulent mortgage loans for **5941 Hartwell Street, Dearborn**, and **6325 Whitewood Street, Detroit**, respectively.

25. **AMED SHAMI (D-9)** assisted the conspiracy by obtaining two fraudulent mortgage loans in his own name.
 - a. On March 28, 2003, **SHAMI** assisted Hani Mortada in obtaining a fraudulent \$76,000 loan from Ohio Savings Bank on **8052 / 8054 Mt. Olivet Street, Detroit, Michigan**. **SHAMI** permitted Mortada to add his name to Mortada's bank account to bolster **SHAMI**'s credit-worthiness. **SHAMI** used the false verification of deposit and verification of employment documentation supplied by Mortada to obtain that loan. **SAMI SOBH** offered **SHAMI** \$11,000 to tell federal agents that **SHAMI** was personally and solely responsible for the fraud in this transaction.
 - b. On July 10, 2003, **SHAMI** used that same fraudulent VOD and VOE to obtain a \$247,000 loan from ABN AMRO / Standard Federal Bank on **16140 Middlebury Drive, Dearborn Heights, Michigan**.
26. Sam Salloum furthered the objects of the conspiracy using his position as a loan officer at Dana Capital Group to assist **HASSAN ABDALLAH (D-5)** in obtaining a \$396,000 fraudulent mortgage loan on **26969 Berea Street, Dearborn Heights, Michigan**. Salloum completed the documents in the name of Jamileh Ajami on the mortgage loan application for the property, and filed the documents with National City Bank.

OVERT ACTS

27. The specific instances of conduct alleged in Paragraphs 16 through 26, above, are incorporated and alleged as overt acts.

28. In furtherance of the conspiracy and to accomplish its objects, during the course of the conspiracy in the Eastern District of Michigan and elsewhere, one or more of the defendants **SAFI SOBH (D-11), MOHAMED HAZIME (D-2), JAD JUDEH (D-3), BASHAR FARRAJ (D-4), HASSAN ABDALLAH (D-5), WAEL MORTADA (D-7) and AMED SHAMI (D-9)**, together with Hani Mortada, Nadiyah Al-Asadi, Mahmoud Karkaba, Sam Salloum and others known and unknown to the grand jury, performed, and caused to be performed, overt acts. For example, the named conspirators performed specific overt acts in carrying out the listed fraudulent mortgage transactions, in furtherance of the conspiracy:

a. **13590 Cedargrove Street, Detroit, Michigan:**

loan processor: **SAFI SOBH (D-11)** for Allerton Financial
property acquired by: Hani Mortada on 7/11/02 for \$13,900
seller: Hani Mortada
buyer: Mohammed Al-Abdallah
loan amount, bank: \$92,150 from Ohio Savings Bank
appraiser, amount: **JAD JUDEH (D-3)**, \$97,000
closing date: 10/22/02
loan in default? yes

b. **5209 Spokane Street, Detroit, Michigan:**

loan processor: **SAFI SOBH (D-11)** for Allerton Financial
property acquired by: Hani Mortada on 1/29/03 for \$20,500
seller: Hani Mortada for H&B Property Mgt
buyer: Mohammed Awada
loan amount, bank: \$90,000 from Ohio Savings Bank
appraiser, amount: **JAD JUDEH (D-3)**, \$100,000
closing date: 2/21/03
loan in default? yes; first payment default

c. **8052 / 8054 Mt. Olivet Street, Detroit, Michigan:**

loan processor: **SAFI SOBH (D-11)** for Allerton Financial
property acquired by: Hani Mortada on 1/8/03 for \$7,500
seller: Hani Mortada for H&B Property Mgt
buyer: **AMED SHAMI (D-9)**
power of attorney: **BASHAR FARRAJ (D-4)** (for buyer)
loan amount, bank: \$76,000 from Ohio Savings Bank
appraiser, amount: **JAD JUDEH (D-3)**, \$80,000
closing date: 3/28/03
loan in default? yes; first payment default

d. **364 Tuxedo Street, Highland Park, Michigan:**

loan processor: **SAFI SOBH (D-11)** for Allerton Financial
property acquired by: H&B Property Management on 12/27/02 for \$16,000
seller: Hani Mortada for H&B Property Mgt
buyer: Fawaz Barraaj
loan amount, bank: \$72,000 from Ohio Savings Bank
appraiser, amount: **JAD JUDEH (D-3)**, \$80,000
closing date: 2/10/03
loan in default? yes; first payment default

e. **5941 Hartwell Street, Dearborn, Michigan (failed attempt):**

property acquired by: Hani Mortada on 8/20/03 for \$185,000
seller: Hani Mortada
buyer: Nadiah Al-Asadi
loan officer: **WAEEL MORTADA (D-7)**
loan amount, bank: \$178,600 from First National Bank of Arizona
appraiser, amount: Jeanie Rumsey
closing date: 9/22/03
loan in default? no; money was never disbursed

f. **6235 Whitewood Street, Detroit, Michigan (failed attempt):**

property acquired by: **BASHAR FARRAJ (D-4)** on 8/7/03 for \$10,000
seller: Haydar Alsaiad
buyer: Ballel Shemmess
loan amount, source: \$82,800 from American Wholesale Lender
closing date: 11/6/03
loan in default? no; money was never disbursed

g. **6235 Whitewood Street, Detroit, Michigan (second effort, successful):**

property acquired by: **BASHAR FARRAJ (D-4)** on 8/7/03 for \$10,000
seller: Haidar Alsaiaad
buyer: Nadiyah Al-Asadi
loan amount, bank: \$82,800 from Chase Manhattan Bank
appraiser, amount: Jeanie Rumsey
closing date: 1/14/04
loan in default? no

h. **6125 Argyle Street, Dearborn, Michigan:**

property acquired by: Hani Mortada on 12/2/03 for \$83,000
seller: Salwa Sabra, mother of Hani Mortada
buyer: Nadiyah Al-Asadi
loan amount, bank: \$140,000 from Bank of New York
appraiser, amount: Greyhound Appraisals and Investments
closing date: 2/24/04
loan in default? yes; first payment default, foreclosure proceedings pending

i. **8086 Burt, Detroit, Michigan:**

property acquired by: **MOHAMED HAZIME (D-2)** on 3/5/02 for \$25,000
seller: Raed Al-Farah
buyer: Moussa Nasser
power of attorney: **BASHAR FARRAJ (D-4)** (for seller)
loan amount, bank: \$91,200 from Commercial Federal Bank of Nebraska
appraiser: **JAD JUDEH (D-3)**
closing date: 4/17/03
loan in default? foreclosure stayed; bankruptcy proceedings pending

j. **5107 Underwood, Detroit, Michigan:**

property acquired by: **MOHAMED HAZIME (D-2)** on 8/8/02 for \$14,500
seller: Raed Al-Farah
buyer: Hind Hazime
power of attorney: **BASHAR FARRAJ (D-4)** (for seller)
loan amount, bank: \$63,000 from IndyMac Federal Savings Bank
appraiser, amount: **JAD JUDEH (D-3)**, \$70,000
closing date: 4/17/03
loan in default? no

k. **26969 Berea Street, Dearborn Heights, Michigan:**

property acquired by: Roby and Hanan Mouhajer on 6/5/98 for \$125,000
seller: Roby Mouhajer and Hanan Mouhajer
buyer: Jamileh Ajami
power of attorney: **HASSAN ABDALLAH (D-5)** (for buyer)
loan officer: Sam Salloum
loan amount: \$396,000 from National City Mortgage
appraiser: Jeanie Rumsey, \$440,000
closing date: 9/11/03

29. The offenses charged in Counts 2 through 13 were within the scope of the conspiracy and were committed by the conspirators in furtherance of the conspiracy, as each conspirator could reasonably foresee. These offenses are alleged and incorporated into this count as overt acts.

30. All in violation of Title 18, United States Code, Section 371.

COUNT 2
(18 U.S.C. §§ 1344, 2 – BANK FRAUD,
AIDING AND ABETTING)

D-11 SAFI SOBH
D-2 MOHAMED HAZIME
D-3 JAD JUDEH
D-4 BASHAR FARRAJ
D-5 HASSAN ABDALLAH
D-7 WAEL MORTADA
D-9 AMED SHAMI

31. The General Allegations and Paragraphs 16 through 26 are incorporated into this count by reference.

32. Beginning in July of 2001 and continuing through 2005, in the Eastern District of Michigan and elsewhere, defendants **SAFI SOBH (D-11)**, **MOHAMED HAZIME (D-2)**, **JAD JUDEH (D-3)**, **BASHAR FARRAJ (D-4)**, **HASSAN ABDALLAH (D-5)**, **WAEL MORTADA (D-7)** and **AMED SHAMI (D-9)**, together with Hani Mortada, Nadiah Al-Asadi, Mahmoud Karkaba, Sam Salloum, and others known and unknown to the grand jury devised and

executed, and aided and abetted each other and others known and unknown to the grand jury in devising and executing, and attempting to execute, a scheme to obtain moneys or other property owned by, or in the custody or control of, federally insured financial institutions by means of false and fraudulent pretenses, representations or promises.

33. The defendants acted knowingly and with the intent to defraud.

34. In executing their scheme, defendants knowingly

35. By their false and fraudulent pretenses, representations and promises, the defendants obtained in excess of \$3,270,000 of moneys belonging to, or in the custody or control of, **Comerica Bank, National City Bank, Ohio Savings Bank, First National Bank of Arizona, Huntington Bank, Charter One Bank, IndyMac Federal Savings Bank, Commercial Federal Bank of Nebraska, ABN AMRO / Standard Federal Bank, Bank of New York and Chase Manhattan Bank**, all financial institutions whose deposits were then insured by the Federal Deposit Insurance Corporation.

36. All in violation of Title 18, United States Code, Sections 1344 and 2.

COUNTS 3 THROUGH 12
(18 U.S.C. §§ 1957, 2 – MONEY LAUNDERING,
AIDING AND ABETTING)

D-2 MOHAMED HAZIME

D-4 BASHAR FARRAJ

37. The General Allegations and Paragraphs 16 through 26 are incorporated into these counts by reference.

38. As set forth below, in the Eastern District of Michigan, Southern Division, defendant **MOHAMED HAZIME** (D-2) and **BASHAR FARRAJ** (D-4) knowingly engaged in, and aided and abetted each other in engaging in, monetary transactions in criminally derived property

of a value greater than \$10,000 and derived from specified unlawful activity that took place within the United States, that is, proceeds of bank fraud, in violation of Title 18, United States Code, Section 1344.

39. On March 26, 2003, Comerica Bank account # 1851159473 was opened in the name of Universal One Realty, a business owned by **MOHAMED HAZIME** (D-1). **HAZIME** and Sandra Jones were authorized signatories on the account.
40. On April 17, 2003, **MOHAMED HAZIME** (D-1) and **BASHAR FARRAJ** (D-4) participated in the fraudulent sales of two properties owned by **HAZIME**: **8086 Burt Street, Detroit, Michigan** and **5107 Underwood, Detroit, Michigan**. Raed Al-Farah was named as the seller on each of the transactions. **FARRAJ** held a power of attorney for Al-Farah, and participated in the closings.
41. On April 17, 2003, American Title Professionals issued a check to Raed Al-Farah for \$88,542.59 at the closing for the property on Burt Street.
42. On April 17, 2003, Golden Title Insurance Agency, Inc. issued a check for \$57,438.57, also payable to Raed Al-Farah, at the closing on Underwood.
43. On April 24, 2003, **HAZIME** removed himself as signatory on the Universal One Realty Comerica Bank account # 1851159473. Immediately thereafter, the two checks described above totaling \$145,981.16 were endorsed and deposited into that Comerica Bank account.
44. On May 7, 2003, **HAZIME**, **FARRAJ**, Raed Al-Farah and Sandra Jones went to Comerica Bank to execute a "hold harmless" agreement, absolving Comerica Bank of any liability for releasing the funds in Comerica Bank account # 1851159473. At the same time, **HAZIME** was added as a signatory to account # 1851159473 once again.

45. On May 7, 2003, **HAZIME**, aided and abetted by **FARRAJ**, knowingly laundered the proceeds of the two fraudulent closings by withdrawing the money in the form of eleven checks, ten of them for amounts over \$10,000.

46. Each of the following constitutes a separate count of this Indictment:

Ct	Defendant(s)	Check (Downstream Financial Transaction)	Payee	Amount
3	HAZIME (D-2) FARRAJ (D-4)	# 650218324	Hind Hazime	\$50,500
4	HAZIME (D-2) FARRAJ (D-4)	# 650218326	MOHAMED HAZIME (D-1)	\$10,083.08
5	HAZIME (D-2) FARRAJ (D-4)	# 650218327	MOHAMED HAZIME (D-1)	\$10,083.08
6	HAZIME (D-2) FARRAJ (D-4)	# 650218328	MOHAMED HAZIME (D-1)	\$10,083.08
7	HAZIME (D-2) FARRAJ (D-4)	# 650218329	MOHAMED HAZIME (D-1)	\$10,083.08
8	HAZIME (D-2) FARRAJ (D-4)	# 650218330	MOHAMED HAZIME (D-1)	\$10,083.08
9	HAZIME (D-2) FARRAJ (D-4)	# 650218331	MOHAMED HAZIME (D-1)	\$10,083.08
10	HAZIME (D-2) FARRAJ (D-4)	# 650218332	MOHAMED HAZIME (D-1)	\$10,083.08
11	HAZIME (D-2) FARRAJ (D-4)	# 650218333	MOHAMED HAZIME (D-1)	\$10,083.08
12	HAZIME (D-2) FARRAJ (D-4)	# 650218334	Samir Fawaz	\$15,000

47. All in violation of Title 18, United States Code, Sections 1957 and 2.

COUNT 13
(18 U.S.C. §§ 1028, 2 – THEFT OF IDENTITY,
AIDING AND ABETTING)

D-5 HASSAN ABDALLAH

48. The General Allegations and Paragraphs 16 through 26 are incorporated into these counts by reference.

49. During September 2003, in the Eastern District of Michigan, Southern Division, Southern Division, defendants **HASSAN ABDALLAH (D-5)** and Sam Salloum knowingly transferred or used, without lawful authority, a means of identification of another person with the intent to commit, or to aid and abet the commission of, bank fraud, an unlawful activity that constitutes violation of Federal law under Title 18, United States Code, 1344.

50. The named defendants stole the identifying information of Jamileh Ajami and used it, in conjunction with fraudulent and forged verification of employment and verification of deposits documents, to obtain in her name a \$396,000 mortgage from National City Bank on the property at **26969 Berea Street, Dearborn Heights, Michigan**. **ABDALLAH** and Salloum well-knew that Ajami was out of the country, had no knowledge of the mortgage, and would not have authorized it. By using Ajami's stolen identity without her knowledge or consent, **ABDALLAH** and Salloum successfully defrauded National City Bank and obtained money in the custody of the bank.

51. All in violation of Title 18, United States Code, Sections 1028 and 2.

COUNT 14
(18 U.S.C. § 922(g) – FELON IN POSSESSION
OF FIREARMS AND AMMUNITION)

D-3 JAD JUDEH

52. On or about June 30, 2004, in the Eastern District of Michigan, Southern Division, **JAD JUDEH (D-3)** possessed two firearms and ammunition, specifically:

- a. one Mossberg 20 gauge shotgun, serial number R412122, 5-round capacity, blue steel finish, and ammunition for same; and
- b. one Remington Game Master rifle, Model 760, serial number B 7036570, with mounted sighting scope and two magazines, blue steel finish, and ammunition for same.

53. **JAD JUDEH (D-3)** was convicted of felonies, that is, crimes carrying the possibility of incarceration for over one year, in 1971 (fraud), 1976 (larceny) and 1978 (carrying a concealed weapon, attempt), and he has never subsequently applied for or received restoration of his firearms privileges from the State of Michigan.

54. The firearms and ammunition had traveled in and affected interstate or foreign commerce before **JAD JUDEH (D-3)** possessed them.

55. All in violation of Title 18, United States Code, Section 922(g).

FORFEITURE ALLEGATION

(18 U.S.C. § 924(d); 18 U.S.C. § 981(a)(1)(C); 18 U.S.C. § 982(a)(2); 18 U.S.C. § 982(a)(2)(B);
18 U.S.C. § 982(a)(8) and / or 28 U.S.C. § 2461 – Criminal Forfeiture)

56. As a result of the violations of Title 18, United States Code, Sections 371, 1344, 1028 and 1957, as set forth in Counts 1 through 13, defendants **SAFI SOBH (D-11)**, **MOHAMED HAZIME (D-2)**, **JAD JUDEH (D-3)**, **BASHAR FARRAJ (D-4)**, **HASSAN ABDALLAH (D-5)**, **WAEEL MORTADA (D-7)** and **AMED SHAMI (D-9)** shall forfeit to the United States any property constituting or derived from proceeds directly or indirectly as a result of those violations, pursuant to 18 U.S.C. § 981(a)(1)(C); 18 U.S.C. § 982(a)(2); 18 U.S.C. § 982(a)(2)(B); 18 U.S.C. § 982(a)(8) and/or 28 U.S.C. § 2461.

57. Such property includes, but is not limited to, **approximately \$3,270,000 in United States currency** and all traceable interest and proceeds. Such sum in aggregate is property representing the proceeds of the aforementioned offenses, or is traceable to such property, in violation of 18 U.S.C. §§ 371, 1344, 1028, 1957, and 2.

58. If the property described above as being subject to forfeiture pursuant to 18 U.S.C. § 982, as a result of any act or omission of the defendants:

- i. cannot be located upon the exercise of due diligence;
- ii. has been transferred or sold to, or deposited with, a third party;
- iii. has been placed beyond the jurisdiction of the Court;
- iv. has been substantially diminished in value; or
- v. has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek to forfeit any other property of the defendants up to the listed value.

59. As a result of the violations of Title 18, United States Code, Section 922(g) as set forth in Count 14, **JAD JUDEH** (D-3) shall forfeit to the United States one Mossberg 20 gauge shotgun, serial number R412122, 5-round capacity, blue steel finish; and one Remington Game Master rifle, Model 760, serial number B 7036570, with mounted sighting scope and two magazines, blue steel finish, seized on June 24, 2004, which was property involved in the offense set forth in Count 14, pursuant to 18 U.S.C. § 924(d).

THIS IS A TRUE BILL.

s/ Grand Jury Foreperson
FOREPERSON

STEPHEN J. MURPHY
United States Attorney

s/ Eric Straus (P 38266)
ERIC STRAUS
Assistant United States Attorney

s/ Cynthia Oberg (P 36338)
CYNTHIA OBERG
Assistant United States Attorney

/s Julie A. Beck (P 53291)
JULIE A. BECK
Assistant United States Attorney

January 25, 2006

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects.

Companion Case Information		Companion Case Number:
This may be a companion case based upon LCrR 57.10 (b)(4) ¹ :		Judge Assigned:
Yes	No <input checked="" type="checkbox"/>	AUSA's Initials: <i>gd</i>

Case Title: USA v. MOHAMED HAZIME, SAFI SOBH et al.

County where offense occurred : Wayne

Check One: Felony Misdemeanor Petty

- Indictment ___/Information ___ no prior complaint.
- Indictment ___/Information ___ based upon prior complaints [Case number]
- Indictment /Information ___ based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information:

Superseding to Case No: 04-80480 Judge: Patrick J. Duggan

- Original case was terminated; no additional charges or defendants.
- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below.

Defendant name
SAFI SOBH
JAD JUDEH

Charges
18 U.S.C. §§ 371, 1344, 2
18 U.S.C. § 922(g)

FILED
 '06 JAN 25 P 3:29
 U.S. DISTRICT COURT
 EASTERN DISTRICT OF MICHIGAN
 DETROIT, MI

January 25, 2006
Date

Cynthia Oberg

 CYNTHIA OBERG (P 36338)
 Assistant United States Attorney

(313) 226-9701
Phone Number

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.