

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

UNITED STATES OF AMERICA )

v. )

RHONDA A. TOROSSIAN, )  
CESAR O. ARENAS, )  
NANCY C. RODRIGUEZ, )  
RAUL RAYGOZA, and )  
ISRAEL QUINTERO )

06CR50049

No. \_\_\_\_\_

Violations: Title 18, United States Code,  
Sections 371, 1001, 1010 & 1341

**FILED**

AUG - 8 2006

COUNT ONE

The NOVEMBER 2005 GRAND JURY charges:

*Magistrate Judge P. Michael Mahoney*  
**U.S. DISTRICT COURT**

1. At times material to this indictment:

a. Prism Mortgage was a mortgage lender and mortgage brokerage company located at 4960 East State Street in Rockford, Illinois. Prism Mortgage was owned by RBC Financial Group. In approximately April 2002, the name of Prism Mortgage was changed to RBC Mortgage Company.

b. Defendant RHONDA A. TOROSSIAN was employed by Prism/RBC Mortgage as a loan officer.

c. Defendant NANCY C. RODRIGUEZ was employed by Prism/RBC Mortgage and worked as an assistant to defendant TOROSSIAN.

d. Defendant CESAR O. ARENAS was employed as a real estate agent by a realty firm located in Rockford, Illinois.

e. Defendants RAUL RAYGOZA and ISRAEL QUINTERO owned and operated a furniture store known as "Friends Furniture" located in Rockford, Illinois.

2. At times material to this indictment:

a. The United States Department of Housing and Urban Development (“HUD”), through the Federal Housing Administration (“FHA”), administered a mortgage insurance program (hereinafter “FHA insured loan program”) that was designed to ensure adequate housing for individuals of low and moderate incomes by providing mortgage insurance to lenders who made home loans to these individuals.

b. To be eligible to receive an FHA insured loan, home buyers were required to establish that their income was sufficient to meet the mortgage payments. HUD required that the lenders making the loans verify the home buyers’ employment for the two most recent years. These verifications could be accomplished by having the home buyers’ employers complete and sign “Verification of Employment” forms. HUD also required that the buyers provide copies of their most recent pay-stubs.

c. To be eligible to receive an FHA insured loan, home buyers were also required to establish that they had satisfactory credit standing. Satisfactory credit standing could be established through a traditional credit report. If buyers did not yet have established credit histories or sufficient entries in their credit reports, HUD allowed these buyers to establish their satisfactory credit standing through alternative sources. These alternative sources often consisted of letters or other verifications from the buyers’ creditors stating that the buyers had made timely payments on their debts.

d. To be eligible to receive an FHA insured loan, home buyers were also required to make a minimum equity investment of at least 3% of the cost of the home.

e. Lenders were required to verify that the home buyers had the necessary funds to make the required 3% equity investment in their homes.

f. Lenders were required to document that the home buyers had valid social security numbers.

g. HUD granted Direct Endorsement Authority for FHA insured loans to certain lenders. Under the Direct Endorsement Authority program, the lender determined whether the home buyer was eligible for an FHA insured loan. If the lender determined that the buyer was eligible, the lender then submitted to HUD the application and all documentation supporting the lender's decision to approve the loan, including the "Verification of Employment" form, the home buyer's most recent pay-stub, documents establishing the home buyer's satisfactory credit history, including verification of credit letters, the home buyer's social security number, and documents establishing that the home buyer had sufficient funds to make the required 3% equity investment in the property.

3. At all times material to this indictment, Prism/RBC Mortgage had Direct Endorsement Authority to issue FHA insured loans.

4. Beginning at least as early as January 10, 2000, and continuing to approximately November 2003, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS,  
NANCY C. RODRIGUEZ,  
RAUL RAYGOZA, and  
ISRAEL QUINTERO,

defendants herein, knowingly conspired with each other, and with other persons known and unknown to the grand jury:

(a) to defraud the United States of America by causing HUD to insure loans for unqualified loan applicants, in violation of Title 18, United States Code, Section 371;

(b) to commit offenses against the United States by knowingly and willfully making and using false documents knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely statements and representations contained in "Verification of Employment" forms, pay-stubs, W-2s, loan applications, credit letters, and official bank checks, in matters within the jurisdiction of HUD, an agency of the United States, in violation of Title 18, United States Code, Section 1001;

(c) to commit offenses against the United States by knowingly making false statements, knowing those statements to be false, for the purpose of obtaining loans from Prism/RBC Mortgage with the intent that such loans be accepted by HUD for insurance, in violation of Title 18, United States Code, Section 1010; and

(d) to cause the United States mails to be used in furtherance of a scheme to defraud the United States, in violation of Title 18, United States Code, Section 1341.

5. It was an object of this conspiracy that defendants RHONDA A. TOROSSIAN and CESAR O. ARENAS would enrich themselves through commissions earned on real estate sales, and corresponding loans, for properties located in Rockford, Illinois, and elsewhere, by causing unqualified loan applicants to receive FHA insured loans, thereby placing HUD at risk of losing hundreds of thousands of dollars.

6. It was further an object of the conspiracy that defendants NANCY C. RODRIGUEZ, RAUL RAYGOZA, and ISRAEL QUINTERO would receive financial rewards for assisting defendants RHONDA A. TOROSSIAN and CESAR O. ARENAS with the fraud.

7. It was part of the conspiracy that defendant ARENAS referred real estate customers to defendant TOROSSIAN at RBC/Prism to obtain FHA insured loans for the customers' real estate purchases.

8. It was further a part of the conspiracy that because many of defendant ARENAS' real estate customers did not have valid social security numbers, defendants TOROSSIAN, ARENAS, and RODRIGUEZ caused false social security numbers to be placed on the documents that were submitted to HUD as part of these customers' FHA insured loan files.

9. It was further a part of the conspiracy that because many of defendant ARENAS' real estate customers did not have the necessary funds to make the required 3% equity investment in the properties they were buying, defendants TOROSSIAN, ARENAS, and RODRIGUEZ created, and caused to be created, fraudulent official bank checks payable to the real estate customers.

10. It was further a part of the conspiracy that because many of his real estate customers had insufficient income to meet the mortgage payments for the houses they were buying, defendant ARENAS solicited owners of small businesses with whom he was acquainted, including defendants RAYGOZA and QUINTERO, to sign fraudulent "Verification of Employment" forms, which falsely represented that the real estate customers were employed by the businesses. At the time they signed these false Verification of Employment forms, defendants knew that the forms would be submitted to HUD in support of fraudulent applications for FHA insured loans.

11. It was further a part of the conspiracy that defendant ARENAS occasionally forged the signatures of small business owners with whom he was acquainted on fraudulent "Verification of Employment" forms, which falsely represented that the real estate customers were employed by the small businesses owned by his acquaintances.

12. It was further a part of the conspiracy that defendant ARENAS created fraudulent W-2s and pay-stubs which falsely represented that his real estate customers were employed at businesses owned by his acquaintances.

13. It was further a part of the conspiracy that because many of his real estate customers had insufficient credit standing to qualify for FHA insured loans, defendant ARENAS solicited owners of small businesses with whom he was acquainted, including defendants RAYGOZA and QUINTERO, to sign fraudulent credit letters which falsely stated that the real estate customers had made regular, timely credit payments to the owners' businesses. At the time they signed these false credit letters, defendants knew that the credit letters would be submitted to HUD in support of fraudulent applications for FHA insured loans.

14. It was further a part of the conspiracy that defendant ARENAS occasionally forged the signatures of small business owners with whom he was acquainted on fraudulent credit letters which falsely stated that the real estate customers had made regular, timely credit payments to the owners' businesses.

15. It was further a part of the conspiracy that some of the owners of the small businesses with whom defendant ARENAS was acquainted, including defendants RAYGOZA and QUINTERO, agreed to verify the fraudulent "Verification of Employment" forms and fraudulent credit letters in the event that any employee of RBC/Prism called to check the veracity of those documents.

16. It was further a part of the conspiracy that Prism/RBC issued loans to defendant ARENAS' real estate customers.

17. It was further a part of the conspiracy that Prism/RBC submitted the loan packages containing false social security numbers, false official bank checks, false "Verification of Employment" forms, false W-2s, false pay-stubs, and false credit letters to HUD for FHA insurance.

**OVERT ACTS**

18. In furtherance of the conspiracy and to accomplish its objectives, the defendants committed and caused to be committed the following overt acts in the Northern District of Illinois, Western Division:

(a) On or about August 13, 2001, defendants TOROSSIAN, ARENAS, RAYGOZA, and QUINTERO prepared, and caused to be prepared, a false document, namely a "Verification of Employment" form which falsely represented that [an individual referred to herein as "Buyer A"] had gross earnings of \$32,168.97 from Friends Furniture in 2000 and gross earnings of \$29,128.62 from Friends Furniture in 1999;

(b) On or about September 9, 2001, defendants TOROSSIAN, ARENAS, and RODRIGUEZ prepared, and caused to be prepared, a false document, namely an official check, drawn on National City Bank, payable to [an individual referred to herein as "Buyer B"], in the amount of \$2,500;

(c) On or about October 8, 2001, defendants TOROSSIAN, ARENAS, and RODRIGUEZ prepared, and caused to be prepared, a false document, namely an official check, drawn on National City Bank, payable to [an individual referred to herein as "Buyer D"], in the amount of \$3,000;

(d) On or about October 18, 2001, defendants TOROSSIAN, ARENAS, and RAYGOZA, prepared, and caused to be prepared, a false document, namely a letter which falsely

represented that [an individual referred to herein as "Buyer D"] had purchased a bedroom set from Friends Furniture for \$1,135.00 on 08/15/99, had made monthly payments on time for a period of 24 months, and had a zero balance on the purchase;

(e) On or about January 7, 2002, defendants TOROSSIAN and ARENAS prepared, and caused to be prepared, a false document, namely a pay-stub for [a business referred to herein as "Company A"] which falsely represented that [an individual described herein as "Buyer F"] had earned \$390 in wages for the pay period of December 16, 2001, through December 22, 2001;

(f) On or about January 12, 2002, defendants TOROSSIAN and ARENAS prepared, and caused to be prepared, a false document, namely a "Verification of Employment" form which falsely represented that [an individual referred to herein as "Buyer F"] had been employed by [a business referred to herein as "Company B"];

(g) On or about March 25, 2002, defendants TOROSSIAN and ARENAS prepared, and caused to be prepared, a false document, namely a pay-stub for [a business referred to herein as "Company B"] which falsely represented that [an individual described herein as "Buyer G"] had earned \$175 in wages for the pay period of February 17, 2002, through February 23, 2002;

(h) On or about March 27, 2002, defendants TOROSSIAN, ARENAS, and QUINTERO prepared, and caused to be prepared, a false document, namely a "Verification of Employment" form which falsely represented that [an individual referred to herein as "Buyer G"] was employed by Friends Furniture;

(i) On or about April 12, 2002, defendants TOROSSIAN, ARENAS, and RODRIGUEZ prepared, and caused to be prepared, a false document, namely an official check,

drawn on Amcore Bank, payable to [an individual referred to herein as "Buyer G"], in the amount of \$8,000;

(j) On or about April 16, 2002, defendants TOROSSIAN, ARENAS, and RODRIGUEZ prepared, and caused to be prepared, a false document, namely an official check, drawn on Amcore Bank, payable to [an individual referred to herein as "Buyer H"], in the amount of \$2,000;

(k) On or about June 6, 2002, defendants TOROSSIAN, ARENAS, and RODRIGUEZ prepared, and caused to be prepared, a false document, namely an official check, drawn on Amcore Bank, payable to [an individual referred to herein as "Buyer I-1"], in the amount of \$8,000;

(l) On or about June 7, 2002, defendants TOROSSIAN, ARENAS, and RAYGOZA prepared, and caused to be prepared, a false document, namely a "Verification of Employment" form which falsely represented that [an individual referred to herein as "Buyer I-2"] was employed by Friends Furniture;

(m) On or about July 18, 2002, defendants TOROSSIAN, ARENAS, and RAYGOZA prepared, and caused to be prepared, a false document, namely a "Verification of Employment" form which falsely represented that [an individual referred to herein as "Buyer J"] was employed by Friends Furniture;

(n) On or about July 19, 2002, defendants TOROSSIAN, ARENAS, and RODRIGUEZ prepared, and caused to be prepared, a false document, namely an official check, drawn on National City Bank, payable to [an individual referred to herein as "Buyer K"], in the amount of \$6,000;

(o) On or about September 9, 2002, defendants TOROSSIAN and ARENAS prepared, and caused to be prepared, a false document, namely a pay-stub for [a business referred to herein as “Company C”] which falsely represented that [an individual described herein as “Buyer L”] had earned \$202.03 in wages for the pay period of August 18, 2002, through August 24, 2002; and

(p) On or about September 27, 2002, defendants TOROSSIAN and ARENAS prepared, and caused to be prepared, a false document, namely a “Uniform Residential Loan Application” form which falsely represented that [an individual referred to herein as “Buyer M”] was employed by [a business referred to herein as “Company C”];

In violation of Title 18, United States Code, Section 371.

**COUNT TWO**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about August 13, 2001, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS,  
RAUL RAYGOZA, and  
ISRAEL QUINTERO,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer A"] had been employed by Friends Furniture and had earned gross earnings of \$32,168.97 in 2000, and earned gross earnings of \$29,128.62 in 1999, whereas, as defendants well knew, ["Buyer A"] had not earned gross earnings of \$32,168.97 from Friends Furniture in 2000, and had not earned gross earnings of \$29,128.62 from Friends Furniture in 1999;

In violation of Title 18, United States Code, Section 1001.

**COUNT THREE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about August 13, 2001, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS,  
RAUL RAYGOZA, and  
ISRAEL QUINTERO,

defendants herein, for the purpose of obtaining a loan from a corporation, namely Prism Mortgage, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer A"] had been employed by Friends Furniture and had earned gross earnings of \$32,168.97 in 2000, and earned gross earnings of \$29,128.62 in 1999, whereas, as defendants well knew, ["Buyer A"] had not earned gross earnings of \$32,168.97 from Friends Furniture in 2000, and had not earned gross earnings of \$29,128.62 from Friends Furniture in 1999;

In violation of Title 18, United States Code, Section 1010.

**COUNT FOUR**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about September 9, 2001, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely:

Official check number 5344288647, drawn on National City Bank, payable to [an individual referred to herein as Buyer B"], in the amount of \$2,500;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT FIVE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about September 9, 2001, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, for the purpose of obtaining a loan from a corporation, namely Prism Mortgage, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely:

Official check number 5344288647, drawn on National City Bank, payable to [an individual referred to herein as "Buyer B"], in the amount of \$2,500;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT SIX**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. From on or about January 10, 2000, and continuing to approximately November 2003, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS,  
NANCY C. RODRIGUEZ,  
RAUL RAYGOZA, and  
ISRAEL QUINTERO,

defendants herein, devised, intended to devise, and participated in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described in the following paragraphs.

3. It was an object of the scheme that defendants RHONDA A. TOROSSIAN and CESAR O. ARENAS would enrich themselves through commissions earned on real estate sales, and corresponding loans, for properties located in Rockford, Illinois, and elsewhere, by causing unqualified loan applicants to receive FHA insured loans, thereby placing HUD at risk of losing hundreds of thousands of dollars.

4. It was further an object of the scheme that defendants NANCY C. RODRIGUEZ, RAUL RAYGOZA, and ISRAEL QUINTERO would receive financial rewards for assisting defendants RHONDA A. TOROSSIAN and CESAR O. ARENAS with the scheme to defraud.

5. It was a part of the scheme that defendants created, and caused to be created, files for FHA insured loans which contained false documents and information, including false social security

numbers, false official bank checks, false "Verification of Employment" forms, false W-2s, false pay-stubs, false loan applications, and false credit letters.

6. It was further a part of the scheme that defendants caused the files containing the false social security numbers, false official bank checks, false "Verification of Employment" forms, false W-2s, false pay-stubs, false loan applications, and false credit letters, to be delivered to HUD via commercial interstate carrier.

7. It was further a part of the scheme that defendants caused HUD to issue FHA "Mortgage Insurance Certificates" for the loans for which defendants had created false documents.

8. It was further a part of the scheme that defendants concealed from HUD information relating to the false documents they created.

9. On or about September 17, 2001, at Chicago and Rockford, in the Northern District of Illinois,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendants herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be deposited for delivery by commercial interstate carrier, according to the direction thereon, a package containing documents relating to an FHA insured loan for [individuals referred to herein as "Buyers C"], that package being addressed to:

United States Department of Housing & Urban Development  
Atlanta Home Ownership Center  
Five Points Plaza  
40 Marietta Street  
Atlanta, Georgia 30303-2806;

In violation of Title 18, United States Code, Section 1341.

**COUNT SEVEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about October 8, 2001, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely:

Official check number 556018912, drawn on National City Bank, payable to [an individual referred to herein as Buyer D"], in the amount of \$3,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT EIGHT**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about October 8, 2001, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, for the purpose of obtaining a loan from a corporation, namely Prism Mortgage, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely:

Official check number 556018912, drawn on National City Bank, payable to [an individual referred to herein as "Buyer D"], in the amount of \$3,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT NINE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about October 18, 2001, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
RAUL RAYGOZA,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely the following statement contained in a credit letter written on the stationery of Friends Furniture:

[An individual referred to herein as "Buyer D"] bought a bedroom set with our company in the amount of \$1,135.00 on 08/15/99. He paid \$300.00 down payment and made monthly payments of \$48.98 for 24 months. All payments were made on time and he has a zero balance;

whereas, as defendants well knew, the information contained in this letter was false;

In violation of Title 18, United States Code, Section 1001.

**COUNT TEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about October 18, 2001, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
RAUL RAYGOZA,

defendants herein, for the purpose of obtaining a loan from a corporation, namely Prism Mortgage, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely the following statement contained in a credit letter written on the stationery of Friends Furniture:

[An individual referred to herein as "Buyer D"] bought a bedroom set with our company in the amount of \$1,135.00 on 08/15/99. He paid \$300.00 down payment and made monthly payments of \$48.98 for 24 months. All payments were made on time and he has a zero balance;

whereas, as defendants well knew, the information contained in this letter was false;

In violation of Title 18, United States Code, Section 1010.

**COUNT ELEVEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count Six of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about October 30, 2001, at Chicago and Rockford, in the Northern District of Illinois,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendants herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be deposited for delivery by commercial interstate carrier, according to the direction thereon, a package containing documents relating to an FHA insured loan for [individuals referred to herein as "Buyers E"], that package being addressed to:

United States Department of Housing & Urban Development  
Atlanta Home Ownership Center  
Five Points Plaza  
40 Marietta Street  
Atlanta, Georgia 30303-2806;

In violation of Title 18, United States Code, Section 1341.

**COUNT TWELVE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about January 7, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a pay-stub for a [a business referred to herein as "Company A"] which represented that [an individual referred to herein as "Buyer F"] had earned \$390 in wages for the pay period of December 16, 2001, through December 22, 2001, whereas, as defendants well knew, this pay-stub was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT THIRTEEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about January 7, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendants herein, for the purpose of obtaining a loan from a corporation, namely Prism Mortgage, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a pay-stub for a [a business referred to herein as "Company A"] which represented that [an individual referred to herein as "Buyer F"] had earned \$390 in wages for the pay period of December 16, 2001, through December 22, 2001, whereas, as defendants well knew, this pay-stub was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT FOURTEEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about January 12, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer F"] had been employed by [a business referred to herein as "Company B"], whereas, as defendants well knew, ["Buyer F"] had not been employed by ["Company B"];

In violation of Title 18, United States Code, Section 1001.

**COUNT FIFTEEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about January 12, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendants herein, for the purpose of obtaining a loan from a corporation, namely Prism Mortgage, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer F"] was employed by [a business referred to herein as "Company B"], whereas, as defendant well knew, ["Buyer F"] had not been employed by ["Company B"];

In violation of Title 18, United States Code, Section 1010.

**COUNT SIXTEEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about March 25, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendant herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a pay-stub for a [a business referred to herein as "Company B"] which represented that [an individual referred to herein as "Buyer G"] had earned \$175 in wages for the pay period of February 17, 2002, through February 23, 2002, whereas, as defendants well knew, this pay-stub was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT SEVENTEEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about March 25, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendant herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a pay-stub for a [a business referred to herein as "Company B"] which represented that [an individual referred to herein as "Buyer G"] had earned \$175 in wages for the pay period of February 17, 2002, through February 23, 2002, whereas, as defendants well knew, this pay-stub was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT EIGHTEEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about March 27, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
ISRAEL QUINTERO,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer G"] was employed by Friends Furniture, whereas, as defendants well knew, ["Buyer G"] was not employed by Friends Furniture;

In violation of Title 18, United States Code, Section 1001.

**COUNT NINETEEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about March 27, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
ISRAEL QUINTERO,

defendants herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer G"] was employed by Friends Furniture, whereas, as defendants well knew, ["Buyer G"] was not employed by Friends Furniture;

In violation of Title 18, United States Code, Section 1010.

**COUNT TWENTY**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about April 12, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely:

Official check number 004439104, drawn on Amcore Bank, payable to [an individual referred to herein as Buyer G"], in the amount of \$8,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT TWENTY ONE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about April 12, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely:

Official check number 004439104, drawn on Amcore Bank, payable to [an individual referred to herein as "Buyer G"], in the amount of \$8,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT TWENTY TWO**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about April 16, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely:

Official check number 912169789, drawn on Amcore Bank, payable to [an individual referred to herein as Buyer H"], in the amount of \$2,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT TWENTY THREE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about April 16, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely:

Official check number 912169789, drawn on Amcore Bank, payable to [an individual referred to herein as "Buyer H"], in the amount of \$2,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT TWENTY FOUR**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about June 6, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely:

Official check number 004431929, drawn on Amcore Bank, payable to [an individual referred to herein as Buyer I-1"], in the amount of \$8,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT TWENTY FIVE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about June 6, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely:

Official check number 004431929, drawn on Amcore Bank, payable to [an individual referred to herein as "Buyer I-1"], in the amount of \$8,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT TWENTY SIX**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about June 7, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
RAUL RAYGOZA,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer I-2"] was employed by Friends Furniture, whereas, as defendants well knew, ["Buyer I-2"] was not employed by Friends Furniture;

In violation of Title 18, United States Code, Section 1001.

**COUNT TWENTY SEVEN**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about June 7, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
RAUL RAYGOZA,

defendants herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer I-2"] was employed by Friends Furniture, whereas, as defendants well knew, ["Buyer I-2"] was not employed by Friends Furniture;

In violation of Title 18, United States Code, Section 1010.

**COUNT TWENTY EIGHT**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about July 18, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
RAUL RAYGOZA,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer J"] was employed by Friends Furniture, whereas, as defendants well knew, ["Buyer J"] was not employed by Friends Furniture;

In violation of Title 18, United States Code, Section 1001.

**COUNT TWENTY NINE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about July 18, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
RAUL RAYGOZA,

defendants herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a "Verification of Employment" form which represented that [an individual referred to herein as "Buyer J"] was employed by Friends Furniture, whereas, as defendants well knew, ["Buyer J"] was not employed by Friends Furniture;

In violation of Title 18, United States Code, Section 1010.

**COUNT THIRTY**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about July 19, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely:

Official check number 621293175, drawn on National City Bank, payable to [an individual referred to herein as Buyer K"], in the amount of \$6,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT THIRTY ONE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.
2. On or about July 19, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN,  
CESAR O. ARENAS, and  
NANCY C. RODRIGUEZ,

defendants herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely:

Official check number 621293175, drawn on National City Bank, payable to [an individual referred to herein as "Buyer K"], in the amount of \$6,000;

whereas, as defendants well knew, this check was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT THIRTY TWO**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about September 9, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendant herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a pay-stub for a [a business referred to herein as "Company C"] which represented that [an individual referred to herein as "Buyer L"] had earned \$202.03 in wages for the pay period of August 18, 2002, through August 24, 2002, whereas, as defendants well knew, this pay-stub was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1001.

**COUNT THIRTY THREE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about September 9, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendant herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a pay-stub for a [a business referred to herein as "Company C"] which represented that [an individual referred to herein as "Buyer L"] had earned \$202.03 in wages for the pay period of August 18, 2002, through August 24, 2002, whereas, as defendants well knew, this pay-stub was fictitious and fraudulent;

In violation of Title 18, United States Code, Section 1010.

**COUNT THIRTY FOUR**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about September 27, 2002, at Rockford, in the Northern District of Illinois, Western Division,

RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendant herein, in a matter within the jurisdiction of HUD, an agency of the United States, knowingly and willfully did make and use, and cause to be made and used, a materially false document, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, namely a Uniform Residential Loan Application which represented that [an individual referred to herein as "Buyer M"] was employed by [a business referred to herein as "Company C"] and earned a monthly income of \$1,646.67, whereas, as defendants well knew, ["Buyer M"] did not earn a monthly income of \$1,646.67 from ["Company C"];

In violation of Title 18, United States Code, Section 1001.

**COUNT THIRTY FIVE**

The NOVEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

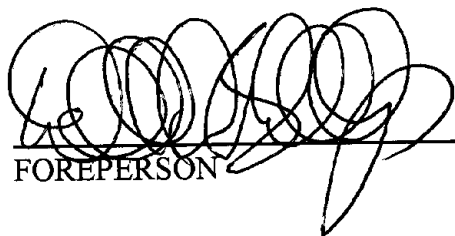
2. On or about September 27, 2002, at Rockford, in the Northern District of Illinois, Western Division,

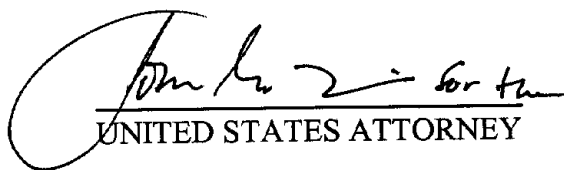
RHONDA A. TOROSSIAN, and  
CESAR O. ARENAS,

defendant herein, for the purpose of obtaining a loan from a corporation, namely RBC Mortgage Company, and with the intent that such loan would be offered to and accepted by HUD for insurance, made, and caused to be made, a materially false statement, namely a Uniform Residential Loan Application which represented that [an individual referred to herein as "Buyer M"] was employed by [a business referred to herein as "Company C"] and earned a monthly income of \$1,646.67, whereas, as defendants well knew, ["Buyer M"] did not earn a monthly income of \$1,646.67 from ["Company C"];

In violation of Title 18, United States Code, Section 1010.

A TRUE BILL:

  
FOREPERSON

  
UNITED STATES ATTORNEY

**FILED**  
AUG - 8 2006  
Magistrate Judge P. Michael McInerney  
U.S. DISTRICT COURT

No.:

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

UNITED STATES OF AMERICA

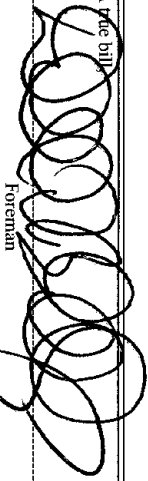
VS.

RHONDA A. TOROSSIAN, CESAR O. ARENAS, NANCY C. RODRIGUEZ,  
RAUL RAYGOZA and ISRAEL QUINTERO

**INDICTMENT**

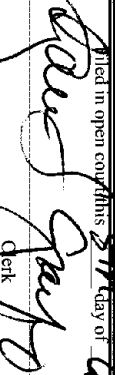
Violation(s): Title 18, United States Code, Sections 371, 1001, 1010 & 1341

A true bill



Foreman

Filed in open court this 8th day of August, A.D. 2006



Clerk

Bail \$