

United States District Court
District of Connecticut
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Roberta D. Tabor, Clerk
By D. Lewis
Deputy Clerk

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA : CASE NO. 3:14CR 129 (JCH)
: :
: :
: VIOLATION:
: :
v. : 18 U.S.C. § 1349 (Conspiracy)
: :
ASM AFSARY :

INFORMATION

The United States Attorney charges:

COUNT ONE
(Conspiracy – 18 U.S.C. § 1349)

The Conspiracy

1. From approximately 2005 to June 2013, in the District of Connecticut and elsewhere, the defendant ASM AFSARY (“AFSARY”) did unlawfully, knowingly, and intentionally combine, conspire, confederate, and agree with others, both known and unknown to the United States Attorney, to commit an offense against the United States as follows:

- a. To devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the scheme and artifice, did knowingly transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343; and
- b. To devise and intend to devise a scheme and artifice to defraud a financial institution, and for the purpose of obtaining money and property owned by, or under the custody and control of, a financial institution, did knowingly execute and attempt to execute a scheme and artifice to defraud by means of material false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

Purpose of the Conspiracy

2. A purpose of the conspiracy was for AFSARY and his co-conspirators to enrich themselves by obtaining millions of dollars in real estate mortgages through the use of materially false loan applications, real estate mortgage loan documents, and HUD-1 forms, and to conceal the conspiracy from others.

Manner and Means of the Conspiracy

The manner and means by which AFSARY and his co-conspirators sought to accomplish and did accomplish the objects of the conspiracy included the following:

3. It was part of the conspiracy that AFSARY and one or more co-conspirators sought to purchase dozens of single and multi-family properties in Fairfield County, Connecticut.

4. It was part of the conspiracy that AFSARY recruited and directed the actions of numerous “straw buyers,” or individuals who applied for and obtained mortgage loans but did not have an actual financial investment or stake in the mortgage loan transactions.

5. It was part of the conspiracy that AFSARY allowed his name and real estate license to be used by his co-conspirators for the purpose of adding legitimacy to transactions for which he was not, in fact, acting as a real estate agent or broker.

6. It was part of the conspiracy that AFSARY and one or more of his co-conspirators would and did apply for mortgages from mortgage lenders and from financial institutions the deposits of which are insured by the Federal Deposit Insurance Corporation, (together, “Lenders”) to purchase multi-family residential properties that were income producing.

7. It was further part of the conspiracy that an attorney licensed to practice law in Connecticut (the “Closing Attorney”) served as the closing attorney for more than eighty real estate transactions, including numerous real estate transactions in which AFSARY was directly

involved.

8. It was further part of the conspiracy that AFSARY and his co-conspirators made, or caused to be made, materially false statements in the borrowers' loan applications, HUD-1 forms, and other documentation submitted to the Lenders in order to obtain financing from the lenders based on materially false representations.

9. It was further part of the conspiracy that, in order to obtain funding and in multiple transactions, AFSARY and his co-conspirators submitted or caused to be submitted materially false HUD-1 form to the Lenders that falsely indicated that the borrowers paid funds at closing when, as he and his co-conspirators well knew, the borrowers paid no such funds at closing.

10. It was further part of the conspiracy that, in order to obtain funding and in multiple transactions, AFSARY and one or more of his co-conspirators submitted to the Lenders materially false HUD-1 Forms that intentionally disguised the actual disbursements of the Lenders' funds, disguised the source of funds being paid by the borrowers in the transactions, and failed to disclose that, on certain transactions, no such funds were provided by the borrowers.

11. It was further part of the conspiracy that, in multiple transactions, many of the borrowers were in fact straw buyers, acting on behalf of the true buyer, who maintained complete control over the property and received all rental income.

12. It was further part of the conspiracy that AFSARY and his co-conspirators would and did cause wire transmissions to be sent from accounts held by Lenders outside the District of Connecticut to accounts held within the District of Connecticut as part of mortgage loan transactions.

13. It was further part of the conspiracy that AFSARY and his co-conspirators would and did distribute the proceeds of mortgage loans obtained as part of the scheme other than as

represented on numerous Form HUD-1s submitted to mortgage lenders by or at the direction of AFSARY.

14. It was further part of the conspiracy that AFSARY and his co-conspirators would collect rent from the multi-family properties purchased through the scheme, and use the rent for their own purposes rather than pay the mortgage lenders.

15. It was further part of the conspiracy that AFSARY and his co-conspirators would defend the mortgage lenders' foreclosure actions in state court in order to continue collecting rent from the multi-family homes. At times the defense of the mortgage foreclosure actions in state court had the effect of allowing the co-conspirators to collect rent for years without making a single mortgage payment to the mortgage lenders.

OVERT ACTS

16. In furtherance of the conspiracy and to effect the illegal objects of the conspiracy, the defendant AFSARY and his co-conspirators committed the following overt acts, among others, in the District of Connecticut and elsewhere:

- a. On or about August 8, 2008, AFSARY prepared or directed the preparation of a mortgage loan application containing materially false information that he then directed a straw buyer to sign in order for the straw buyer to obtain a mortgage loan from Salem Five Mortgage Co. in the amount of \$826,000.
- b. On or about December 12, 2010, AFSARY prepared or directed the preparation of a mortgage loan application containing materially false information that he then directed a straw buyer to sign in order for the straw buyer to obtain a mortgage loan from JPMorgan Chase Bank in the amount of \$378,026.00.

- c. On or about July 16, 2008, AFSARY paid \$24,566.62 to the Closing Attorney's law firm as part of the down payment to purchase Property A, the identity of which is known to the United States Attorney, in the name of another individual.
- d. On or about February 26, 2009, AFSARY and other co-conspirators arranged for another individual to purchase Property A, using loan proceeds from a mortgage loan issued by National City Bank.
- e. During the period from October 26, 2011, through July 30, 2013, AFSARY and other co-conspirators, with the intention to delay litigation so that they could continue to collect rent from Property A, filed or directed the filing of pleadings in a foreclosure proceeding for Property A pending before the state foreclosure court and the state appellate court.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATION UNDER 28 U.S.C. § 2461(c) & 18 U.S.C. 981(a)
(Wire Fraud and Bank Fraud)

Upon conviction of the fraud offense alleged in Count One of this Information, defendant ASM AFSARY shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), all right, title, and interest in any and all property, real or personal, which constitutes or is derived from proceeds traceable to violations of Title 18, United States Code, Section 1343 or Title 18, United States Code, Section 1344, including but not limited to the following:

- A. The following parcels of real property:
 - (1) 46 Fairfield Avenue, Stamford, Connecticut

- (2) 15 Hanover Street, Stamford, Connecticut
- (3) 83 Orange Street, Stamford, Connecticut
- (4) 34 Ranson Street, Stamford, Connecticut
- (5) 9 Sherman Street, Stamford, Connecticut
- (6) 96-98 Beechwood Avenue, Bridgeport, Connecticut
- (7) 307-309 Dover Street, Bridgeport, Connecticut
- (8) 407 Logan Street, Bridgeport, Connecticut
- (9) 260-264 Pearl Harbor Street, Bridgeport, Connecticut
- (10) 420-422 Jane Street, Bridgeport, Connecticut

If any of the above-described forfeitable property, as a result of any act or omission of the defendant, cannot be located upon the exercise of due diligence, has been transferred, sold to, or deposited with a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

All in accordance with Title 18, United States Code, Section 981(a)(1) as incorporated by

Title 28, United States Code, Section 2461(c), and Rule 32.2(a), Federal Rules of Criminal Procedure.

UNITED STATES OF AMERICA



MICHAEL GUSTAFSON
ACTING UNITED STATES ATTORNEY



ANN M. NEVINS
ASSISTANT UNITED STATES ATTORNEY



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