



U.S. Department of Justice

**Terrence Berg
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Eastern District of Michigan**

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For Immediate Release:

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Aug 20, 2008

EVENT: Indictment

Defendant: Hassan Nagi et al

FOUR INDICTED BY FEDERAL GRAND JURY FOR MORTGAGE FRAUD

Defendants Alleged To Have Obtained \$1.9 Million In Bad Loans Using Inflated Appraisals

A seventeen-count indictment charging four defendants with conspiracy, bank fraud, and mail fraud was returned by a federal grand jury this morning, Acting United States Attorney Terrence Berg announced. Berg was joined in the announcement by Andrew G. Arena, Special Agent-In-Charge of the Federal Bureau of Investigation in Detroit.

According to the indictment, Hassan Nagi, 30, of Dearborn Heights, Ali Haidous, 24, of Dearborn, Safi Bzeih, 35, of Dearborn, and Hussein Aoun, 23, of Dearborn Heights conspired to secure fraudulent mortgages on 16 properties between April 2005 and April 2008. The value of the mortgages totaled \$1.9 million. The properties were located in Detroit, Dearborn, and Dearborn Heights. The loans were issued by various national financial institutions, including Countrywide Bank, Washington Mutual, Fifth Third Bank, IndyMac Federal Bank, Net Bank, and Sun Trust bank.

The indictment alleges Nagi worked as a mortgage broker and was responsible for submitting false and fraudulent applications to obtain the mortgages. Haidous was a real estate appraiser who provided fraudulent appraisals for the properties. Bzeih and Aoun recruited sellers and "straw buyers" for the properties.

According to the indictment, after the defendants identified a willing seller of a property,

Nagi secured financing for a "straw buyer." False income and employment information was provided to the lender using fraudulent W-2 forms. In support of each loan, Nagi also submitted an inflated appraisal, created by Haidous. After the inflated mortgage was funded at closing, the seller received sufficient funds to pay off any existing mortgage as well as a "bonus" for participating in the mortgage fraud scheme. The remainder of the proceeds from the inflated mortgage were shared between the defendants and straw buyer.

Acting United States Attorney Berg said, "Mortgage fraud is a serious and economically damaging crime because it harms both our financial institutions as well as the integrity of the market. These are not victimless crimes and we will do all we can to ensure that those who commit fraud are brought to justice."

"We remain dedicated to preventing mortgage fraud and putting unrelenting pressure on these criminal groups," Arena said.

An indictment is a charging document and not evidence of guilt. Each and every defendant is presumed to be innocent.

Nagi, Haidous, and Bzeih are expected to appear in federal court before Magistrate Judge Virginia Morgan at 1:00 p.m. on Thursday, August 21, for their initial appearances and arraignment on the indictment. Aoun is a fugitive in Lebanon.

The case is being prosecuted by Assistant U.S. Attorney Leonid Feller.