



U.S. Department of Justice

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Eastern District of Michigan**

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For Immediate Release:

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EVENT: Investigation

Defendant: Robert Guthrie et al

FURTHER DEVELOPMENTS IN SBA LOAN FRAUD INVESTIGATION

United States Attorney Stephen J. Murphy today announced further developments in the ongoing investigation of SBA-guaranteed loans originated by Business Loan Express, LLC ("BLX").

Mr. Murphy was joined in the announcement by Eric Thorson, Inspector General, Small Business Administration and Acting Special Agent in Charge William Callahan, United States Secret Service, Detroit Field Office.

A superseding indictment was unsealed today charging Robert Guthrie, age 39, of Southgate, Michigan and David Faraj, age 40, of Dearborn, Michigan with conspiracy to commit wire fraud, conspiracy to defraud the United States, and making false statements to the Small Business Administration (SBA). The charges all arise from an alleged scheme to obtain SBA guaranteed loans for the purchase of twelve different businesses located throughout the southeast Michigan. It is alleged that David Faraj solicited straw purchasers to apply for fraudulent loans, through the SBA. Because real estate transactions overstated the actual value of the properties, and pertinent terms of the sale were misrepresented in supporting paperwork, excess proceeds were generated from the sales and split between

coconspirators. Robert Guthrie was employed by Midwest Title Agency and acted as the closing agent for several of the SBA loans obtained by Faraj and the other coconspirators. The total value of the loans fraudulently obtained, as alleged in the superseding indictment, exceeded \$10,000,000, and many of the loans ultimately went into default. The superseding indictment was returned by a federal grand jury on July 9, 2008.

On June 25, 2008, a federal grand jury in the Eastern District of Michigan returned a superseding indictment against an accountant from Dearborn, Michigan. Abraham Nicola Nunu, age 43, is charged with conspiracy to defraud the United States, aiding and abetting the making of false statements to the SBA in connection with obtaining federally guaranteed business loans, and knowingly transferring false identification documents without lawful authority. Specifically, it is alleged that Nunu knowingly sold a gas station and convenience store owned by him to a straw purchaser for \$1.4 million, supported by an \$880,000 loan from the SBA. In connection with that loan, it is alleged that Nunu created false paperwork, such as a false gift affidavit, in order to support the straw purchaser's loan application. It is further alleged that Nunu transferred false identification documents, including IRS W-2 forms, to another individual without lawful authority. On September 19, 2007, a civil complaint for seizure was served by the United States Secret Service resulting in the seizure of more than \$1.7 million from Nunu.

The SBA loan fraud investigation, which continues, is being conducted by special agents of the U.S. Small Business Administration-Office of Inspector General and the United States Secret Service. John Engstrom and Noceebe Southern are the Assistant United States Attorneys assigned to the investigation.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial at which it will be the government's burden to prove guilt beyond a reasonable doubt."

Individuals with knowledge of SBA-loan fraud are encouraged to contact the SBA-OIG fraud line at 1 (800) 767-0385.