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20 INDIVIDUALS CHARGED WITH MAKING FALSE STATEMENTS IN LOAN APPLICATIONS

SAN JUAN, P.R – Yesterday, July 18, a grand jury returned a forty-five count indictment charging 20 individuals with making false statements in loan applications, aggravated identity theft and money laundering, announced United States Attorney for the District of Puerto Rico, Rosa Emilia Rodríguez-Vélez. The lead agency during this investigation was the Housing and Urban Development-Office of Inspector General (HUD-OIG), with the collaboration of the Internal Revenue Service-Criminal Investigations (IRS-CI), United States Secret Service (USSS), Federal Bureau of Investigation (FBI), Immigration and Customs Enforcement-Homeland Security Investigations (ICE-HIS) and the Puerto Rico Commissioner of Financial Institutions, known as OCIF.

According to the indictment, beginning on a date unknown but no later than in or about December 2008, up to and including in or about April 2010, defendants Carlos D. Cuevas-Díaz, Miguel Ángel Echegaray-González and Lee A. Arcia-Centeno, conspired and agreed with each other, and with diverse other persons known and unknown to the Grand Jury, to knowingly make false statements or cause false statements to be made to mortgage lending institutions Equity Mortgage, Latin American, and Express Solution, for the purpose of influencing the Federal Housing Administration (FHA) to insure the mortgage loans.

The object of the conspiracy was to obtain monetary gain through commissions and or revenues related to real property and/or loan transactions, including undisclosed payments from third parties and false or fraudulent liens, debts, or claims allegedly owed. As part of the manner and means by which the defendants and co-conspirators accomplished and furthered the object of the conspiracy, defendants would recruit straw buyers who at times received monetary compensation for their participation in the offense. The defendants and their co-conspirators knowingly submitted and caused to be submitted false and fraudulent information to the mortgage lenders to fraudulently procure mortgage financing for the real property transactions.

This false and fraudulent information included, among other things, the purchaser's: occupation and place of employment, income, time at employment, assets, and intent to occupy the property.

The indictment further alleges that it was a part of the manner and means of the unlawful conspiracy that the defendants and their co-conspirators would distribute the illegally obtained proceeds of the real property transactions amongst themselves.

The defendants are: Carlos Daniel Cuevas-Díaz; Miguel Ángel Echegaray-González; Lee A. Arcia-Centeno; Carlos Luis Cuevas-Díaz; Germania Gil-Gil; Inmerta J. Pérez Echevarría, aka "María Pérez;" Jorge Paul González-González; Sonia E. Díaz-Rodríguez; Pedro Archilla-Colón; Olga M. Díaz-Medina; Gabriel Oliver-Vázquez; Oscar Piña-Fuentes; Patricia Perdomo-Regalado; Norman G. Ojeda-Marrero; Marleni De La Cruz-Ulloa; Federico Rivas-Rosario; Carlos Xavier Ortiz-Olivera; Jonathan E. Rivera-Santana; Nolin E. Cumba-Rodríguez and Wanda Rodríguez-Colón.

Eleven defendants are facing Money Laundering Charges and a forfeiture allegation of \$535,048.89 in US Currency. Cuevas-Díaz and Arcia-Centeno are facing one charge of Aggravated Identity Theft.

"We want the public to understand that making false statements in any form to banks in order to receive benefits from the federal government, in this case FHA loans, is a crime, which will be investigated and prosecuted to the full extent of the law," said United States Attorney, Rosa Emilia Rodríguez-Vélez. "Today's arrests demonstrate that our law enforcement partners will continue working together in order to prevent financial fraud and to detect schemes which result in the depletion of federal funds destined for those who legitimately qualify for FHA loans."

"We know that mortgage fraud can devastate whole communities," said David A. Montoya, Inspector General for HUD-OIG. "Attacking the problem from every possible angle in cooperation with our federal, state and local partners is critical. These schemes are dangerous to our communities and our economy. And, they will not be tolerated."

If convicted, the defendants charged for making false statements face a possible penalty of 30 years in prison. The defendants charged for money laundering are facing up to 20 years and the defendants charged with aggravated identity theft face a minimum of two years imprisonment.

The investigation was conducted by the Department Housing & Urban Development-Office of Inspector General, with the assistance IRS-CI, USSS, FBI, ICE and OCIF. The case is being prosecuted by Assistant United States Attorney Mariana Bauzá.

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