



## ***Fraud Alert***

### **Twenty Three Indicted in New York Straw Buyer Scheme**

ALERT ADVISORY – January 9, 2007

On Friday, January 05, 2007 twenty-three individuals were indicted in the Southern District of New York on allegations that they participated in an illegal scheme to defraud various banks and financial institutions by submitting fraudulent applications and supporting documentation for mortgages and home equity loans. As a result, the lenders were induced to make loans to persons and at terms that the lenders otherwise would not have funded. The defendants include brokers and processors who worked at the mortgage brokerages **AGA Capital NY, Inc.** ('AGA Capital') and **Northside Capital NY, Inc.** ('Northside Capital'), in Brooklyn, New York, real estate appraisers and loan account executives.

As alleged in the Indictment unsealed in Manhattan federal court:

From 2004 through December 2006, **Northside Capital, AGA Capital, and its successor, Lending Universe Corporation**, brokered over one thousand home mortgages and home equity loans, with a total face value of at least \$200 million dollars, with various banks and lending institutions. Northside Capital, AGA Capital, and Lending Universe, earned a total of at least \$4 million in commissions and fees on these loans. The lenders that issued the mortgages and loans brokered by Northside Capital, AGA Capital, and Lending Universe have suffered actual losses of at least \$3.5 million as a result of the defendants' fraud scheme.

The eight-count Indictment charges the following defendants with conspiracy to commit bank and wire fraud, and several of the defendants with bank and wire fraud in connection with the procurement of seven specific mortgage and home equity loans:

**Aleksander Lipkin aka 'Alex,' aka 'Shorty,' aka 'Melekiy,'** mortgage broker employed by AGA Capital and Lending Universe;

312 West First Street, Suite 203  
Sanford, Florida 32771

Tel. 407.321.2874

Website: [www.idsnetwork.com](http://www.idsnetwork.com)

Fax. 407.328.4585

**Igor Mishelevich aka 'Ryzhiy,'** mortgage broker employed by AGA Capital and Lending Universe and previously worked at Northside Capital;

**Alex Gorvits aka 'Lyosha,'** mortgage broker employed by AGA Capital and Lending Universe and previously worked at Northside Capital;

**Marina Dubin,** real estate paralegal alleged to have served as the settlement agent for a majority of the loans that were fraudulently obtained by the defendants;

**Igor Buzakher aka 'Jeff,'** mortgage broker who worked at Northside Capital;

**Joseph Paperny,** mortgage broker who worked at Northside Capital;

**Daniel Mikhlin aka 'Danik,'** mortgage broker;

**John Gelin aka 'Buddha,'** alleged to have served as an intermediary between the defendant mortgage brokers and the straw buyers;

**Franswa Ligon,** alleged to have served as an intermediary between the defendant mortgage brokers and the straw buyers;

**Fuad Yakubov,** alleged to have served as an intermediary between the defendant mortgage brokers and the straw buyers;

**Ricardo Acosta,** alleged to have served as an intermediary between the defendant mortgage brokers and the straw buyers;

**Eric Callahan,** alleged to have served as an intermediary between the defendant mortgage brokers and the straw buyers;

**Douglas Ellison;**

**Oleg Anokhin,** alleged to have provided capital to co-conspirators in order to perpetuate the scheme to defraud;

**David Neustein,** appraiser;

**Tomer Sinai aka 'Tom,'** appraiser;

**Nathaniel Kessman,** account executive;

**Carl Carr,** account executive;

**John Ciafalo**, account executive;

**Lucianne Morello**, loan processor employed by AGA Capital and Lending Universe;

**Faina Petrovskaya**, loan processor;

**Mariya Badyuk aka 'Masha'**, straw buyer employed by AGA Capital and Lending Universe;

**Marina Klotsman**, straw buyer;

As part of the fraud scheme, the defendants identified properties for sale in multiple locations including all five boroughs of New York City, New Jersey and Sullivan County, New York. The defendants typically purchased the target properties with one or more mortgages and/or home equity loans amounting to 100 percent of the purchase price of the property, thus ensuring that the defendants did not have any money at risk in the fraudulent transactions.

The fraud also involved paying individuals who fit a certain financial profile to act as phony purchasers, or 'straw buyers' of the target properties. The defendants then prepared and submitted false and misleading information concerning the straw buyer's current residence, employment, income, assets, and existing debt. In support of these false and misleading representations, the defendants also created false documentation, such as bank statements and proof of income, on which the lenders relied to verify the statements in the loan applications.

In addition, the defendants sought mortgages and home equity loans for the target properties at values that were in excess of the properties' actual sale prices and, thus, the properties' true market values. To support applications for loans in excess of the properties' market values, the defendants procured artificially inflated appraisals of the market value of the target properties. Using these false appraisals, the defendants received mortgages and other loans in excess of the actual sale price of the properties securing the loans. The difference between the appraised value of the property and the property's actual sale price represented, in part, the defendants' profits from the scheme.

The defendants distributed the profit from each fraudulently obtained mortgage loan amongst themselves for their personal gain. The defendants also earned commissions of at least 2 percent and as much as 4 percent on the fraudulently inflated loan values, in addition to fees and other monies distributed upon the closing of each property.

If convicted, each defendant faces a maximum sentence on each count of the Indictment in which he or she is charged of thirty years in jail and a fine of the greater of \$250,000 or twice the gross gain or loss resulting from the crime.

Properties identified in the indictment:

1370 Park Place, Brooklyn, New York

184 Willowbrook Road, Staten Island, New York

221 Washington Avenue, Brooklyn, New York

1058 Decatur Street, Brooklyn, New York 100 Oceana Avenue, Apt. 3E, Brooklyn, New York

225-19 113th Ave, Queens Village, New York 330 Old Tacy Road, Kauneonga Lake, New York

Douglas F. Pollock, CFE

(407) 321-2874 Office

(407) 595-3022 Mobile

[dpollock@idsnetwork.com](mailto:dpollock@idsnetwork.com)