

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

: INDICTMENT

-v.-

: S2 09 Cr. 958 (SAS)

DAVID RAMNAUTH,
PEGGY PERSAUD,
ORETTE KILLIKELLY,
GEORGE ESSO,
ELTON LORD,
RAFICK BAKSH,
a/k/a "Raffi,"
MAHAMOOD HUSSAIN,
RAVI PERSAUD, and
CHEDDI GOBERDHAN,

Defendants. :

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COUNT ONE

(Conspiracy to Commit Bank Fraud and Wire Fraud)

The Grand Jury charges:

BACKGROUND

1. At all times relevant to this Indictment, GuyAmerican Funding Corp. ("GuyAmerican") was a mortgage brokerage firm with offices located in Queens, New York, including a branch office located at 145-21 Liberty Avenue, Jamaica, New York. At all times relevant to this Indictment, GuyAmerican was issued a certificate by the New York State Banking Department permitting GuyAmerican and its branch office to engage in the business of a mortgage broker.

2. At all times relevant to this Indictment, DAVID RAMNAUTH, the defendant, was the President and owner of GuyAmerican.

3. At various times relevant to this Indictment, PEGGY PERSAUD, ORETTE KILLIKELLY, and GEORGE ESSO, the defendants, were employed by GuyAmerican as loan officers.

4. At various times relevant to this Indictment, RAVI PERSAUD, the defendant, was an attorney admitted to practice in the State of New York and working under the firm name "Law Offices of Ravi B. Persaud, P.C.," in an office located in Queens, New York.

5. At various times relevant to this Indictment, CHEDDI GOBERDHAN, the defendant, was an attorney admitted to practice in the State of New York and working under the firm name "Cheddi B. Goberdhan, P.C.," in an office located in Queens, New York.

THE SCHEME TO DEFRAUD

6. As set forth more fully below, from at least in or about 2006 through in or about 2007, DAVID RAMNAUTH, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," MAHAMOOD HUSSAIN, RAVI PERSAUD, and CHEDDI GOBERDHAN, the defendants, and others known and unknown, fraudulently brokered, obtained and assisted others in obtaining certain home mortgage loans from various banks and other lending

institutions (the "lenders"). Through their scheme, the defendants obtained numerous home mortgage loans with respect to at least 44 properties under false and fraudulent pretenses, with a total face value of over \$23,000,000, many of which properties are now in default of their mortgage loans and/or foreclosure proceedings.

7. In furtherance of the scheme to defraud, from at least in or about 2005 through in or about October 2007, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," MAHAMOOD HUSSAIN, RAVI PERSAUD, and CHEDDI GOBERDHAN, the defendants, and others known and unknown, prepared and submitted applications and supporting documentation for home mortgage loans containing false or misleading information, in order to induce lenders to make loans to persons to whom, and at terms on which, the lenders otherwise would not have agreed.

8. As a further part of the scheme to defraud, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," and MAHAMOOD HUSSAIN, the defendants, and others known and unknown, identified properties for sale in Queens, Brooklyn, and the Bronx, New York (the "target properties"). In some instances, the defendants targeted individuals who were having trouble making mortgage payments.

9. In furtherance of the scheme to defraud, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK

BAKSH, a/k/a "Raffi," and MAHAMOOD HUSSAIN, the defendants, recruited individuals to act as purchasers of the target properties. In fact, as the defendants well knew, these purchasers, or "straw buyers," either never intended to live in the properties and/or relinquished their interest in and control over the target properties to the defendants after the closing of the transactions. The straw purchasers were typically paid a fee in return for acting as purchasers for the properties.

10. As a further part of the scheme to defraud, in many instances, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," and MAHAMOOD HUSSAIN, the defendants, sold or "flipped" the target properties within a short period of time after the initial sale - sometimes as little as a few months - to other straw buyers. When the target properties were resold a few months later, they were resold at a materially higher price than they had been sold a few months earlier.

11. As a further part of the scheme to defraud, in many instances PEGGY PERSAUD, ORETTE KILLIKELLY, and GEORGE ESSO, the defendants, and others known and unknown, fraudulently improved the straw buyers' credit worthiness by falsifying certain personal and financial information about the straw buyer that was material to the lenders in their lending decisions. The defendants prepared and submitted to the lenders loan

applications and other documentation purporting to accurately represent the personal and financial information of each straw buyer. In fact, the defendants prepared and submitted false and misleading information concerning the straw buyers' employment, income, assets, and existing debt, among other things. In support of these false and misleading representations, these defendants also created or caused to be created false documentation, such as employment or rent verifications, that the lenders relied upon to verify the statements in the loan applications.

12. In addition to false statements concerning the straw buyers' financial profile, PEGGY PERSAUD, ORETTE KILLIKELLY, and GEORGE ESSO, the defendants, and others known and unknown, falsely represented to the lenders that certain straw buyers intended to reside in the property that would secure each home mortgage loan, when, in fact, the defendants intended to use the property for their own investment purposes and the straw buyers never intended to reside in the properties.

13. As a further part of the scheme to defraud, when ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," and MAHMOOD HUSSAIN, the defendants, had located the seller or the straw buyer for a deal and the property was sold, the defendants and others would instruct RAVI PERSAUD and CHEDDI GOBERDHAN, the defendants, to write checks or disburse funds, directly or indirectly, to LORD,

BAKSH, and HUSSAIN from the proceeds of the sale of the target properties. However, as RAVI PERSAUD and GOBERDHAN well knew, LORD, BAKSH, and HUSSAIN were not entitled to any monies payable from the closings of the target properties.

14. As a further part of the scheme to defraud, once the home mortgage loans were approved by the lenders as a result of the defendants' fraudulent misrepresentations, the defendants caused the loan funds to be transferred via interstate wire to bank accounts controlled by RAVI PERSAUD and/or CHEDDI GOBERDHAN, the defendants, who acted as closing attorneys and/or the attorney for one of the parties on most of the fraudulent loans. These wire transfers were routed through New York, New York.

15. As a further part of the scheme to defraud, when DAVID RAMNAUTH, the defendant, learned that ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," and MAHMOOD HUSSAIN, the defendants, were recruiting straw buyers who did not intend to live in the properties they were purportedly purchasing and did not intend to make mortgage payments on loans obtained from lenders under GuyAmerican's mortgage brokerage license, RAMNAUTH instructed PEGGY PERSAUD, the defendant, to direct the attorneys on those deals to write checks from the closing proceeds to cover the first six months of mortgage payments to the lenders. Additionally, notwithstanding that RAMNAUTH knew that LORD, RAFICK, and HUSSAIN were stripping the equity from the properties

that were the subject of these sham real estate transactions by keeping the sales proceeds for themselves, RAMNAUTH permitted these defendants to continue to originate additional fraudulent loans under GuyAmerican's mortgage brokerage license.

16. As a further part of the scheme to defraud, DAVID RAMNAUTH, the defendant, knew that multiple loans were being submitted within a short period of time on behalf of a single buyer, and that the existence of the multiple loans was not being disclosed to the lenders in the loan applications submitted under GuyAmerican's mortgage broker license.

THE DEFENDANTS

17. At all times relevant to this Indictment, DAVID RAMNAUTH, the defendant, was the President of GuyAmerican. RAMNAUTH received commissions from all the loans that were submitted to lenders through GuyAmerican, including the fraudulent loans submitted through the GuyAmerican branch office located at 145-21 Liberty Avenue, Jamaica, New York. The commissions were paid by the lenders to GuyAmerican through the escrow accounts of closing attorneys and were based on a percentage of the total loan amounts. RAMNAUTH, in turn, allocated a portion of the commission to himself, as well as a portion to the loan officer who originated the loan, and a portion to PEGGY PERSAUD, the defendant, as the manager of the branch office. GuyAmerican received hundreds of thousands of

dollars in commissions derived from the fraudulent loans submitted to the lenders.

18. At all times relevant to this Indictment, PEGGY PERSAUD, the defendant, was a loan officer of GuyAmerican, and managed the GuyAmerican office located at 145-21 Liberty Avenue, Jamaica, New York 11435. PEGGY PERSAUD received commissions from loans that she herself brought into GuyAmerican, and she received commissions in respect of loans brought in by other loan officers at GuyAmerican. PEGGY PERSAUD received, directly or indirectly, hundreds of thousands of dollars in commissions derived from the fraudulent loans submitted to the lenders. PEGGY PERSAUD supervised and coordinated the submission of fraudulent loan applications and other documents to the lenders, the solicitation of straw buyers, and the identification of particular properties for use in the scheme.

19. At all times relevant to this Indictment, ORETTE KILLIKELLY and GEORGE ESSO, the defendants, were loan officers of GuyAmerican. KILLIKELLY and ESSO supervised and coordinated the submission of fraudulent loan applications and other documents to the lenders, and recruited straw buyers to purchase properties. Both KILLIKELLY and ESSO received commissions from GuyAmerican based on the fraudulent loans submitted to the lenders on behalf of the straw buyers they brought to GuyAmerican.

20. At various times relevant to this Indictment, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," and MAHMOOD HUSSAIN, the defendants, worked with the loan officers of GuyAmerican to identify target properties for sale and to recruit straw buyers. In some instances, LORD, BAKSH, and HUSSAIN identified owners of properties who were having difficulties paying their mortgages and promised to take care of their problems and to pay them a fee. LORD, BAKSH, and HUSSAIN also identified individuals willing to act as straw buyers and to buy the target properties at inflated prices. LORD, BAKSH, and HUSSAIN then orchestrated illicit payments to themselves from the proceeds of the sale.

21. At various times relevant to this Indictment, RAVI PERSAUD and CHEDDI GOBERDHAN, the defendants, were attorneys who participated in the closings of real estate transactions that were funded by fraudulently obtained loans. At various times, RAVI PERSAUD and GOBERDHAN, acting at the direction of ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," and MAHMOOD HUSSAIN, the defendants, and others known and unknown, wrote checks to individuals other than the straw buyers, including LORD, HUSSAIN, BAKSH, as an illicit payment to cover the first several months of mortgage payments on the loans. RAVI PERSAUD and GOBERDHAN made these illicit payments in part to conceal the true nature of the fraudulent transactions from the lenders.

FRAUD AS TO SELECTED PROPERTIES

22. As described above, in furtherance of the conspiracy and to effect the illegal objects thereof, DAVID RAMNAUTH, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," MAHAMOOD HUSSAIN, RAVI PERSAUD, and CHEDDI GOBERDHAN, the defendants, and others known and unknown, purchased, caused to be purchased, or facilitated the purchase of, numerous properties using residential mortgage loans obtained through fraud and deceit. For example:

Properties Purchased by Straw Buyer 1

a. In or about 2006 and 2007, KILLIKELLY recruited a number of straw buyers to purchase multiple properties, two of which are described more fully below, and in exchange promised to pay the straw buyers approximately \$4,000 or \$5,000 per house and to pay the monthly mortgages on the properties. In advance of executing these transactions, KILLIKELLY explained to GOBERDHAN, in sum and substance, that KILLIKELLY wanted to purchase a house using another individual as the buyer and borrower, and wanted to pay that person \$5,000 for allowing KILLIKELLY to use the straw buyer's name. GOBERDHAN advised KILLIKELLY, in sum and substance, that KILLIKELLY could not write a check at closing payable to the straw buyer directly; rather GOBERDHAN would have to write a check payable to KILLIKELLY or an entity controlled by KILLIKELLY, from which

KILLIKELLY could pay the straw buyer.

b. In or about early 2006, KILLIKELLY recruited a straw buyer ("Straw Buyer 1") to purchase at least three properties. KILLIKELLY promised to pay Straw Buyer 1 between \$4,000 and \$5,000 per house and to pay the monthly mortgages on the properties.

c. On or about April 27, 2006, Straw Buyer 1 purchased a house located at 136-27 219th Street, Jamaica, New York ("136-27 219th Street") for \$600,000. The seller of the house was PEGGY PERSAUD, who had purchased the house from another individual in January 2006 for \$530,000.

d. In connection with Straw Buyer 1's purchase of this property, KILLIKELLY provided Straw Buyer 1 with a check in the amount of \$6,000 shortly before Straw Buyer 1 obtained two home mortgage loans for the property in the amount of \$600,000 from IndyMac Bank, F.S.B. ("IndyMac"), the deposits of which are insured by the Federal Deposit Insurance Corporation ("FDIC"). KILLIKELLY instructed Straw Buyer 1 to deposit the check into Straw Buyer 1's bank account and to leave it in the account until KILLIKELLY asked for the money back.

e. Documents submitted to IndyMac in connection with Straw Buyer 1's application for the home mortgage loans contained numerous false representations. Among other things, the documents submitted to IndyMac falsely represented that Straw

Buyer 1 had two jobs, when in fact Straw Buyer 1 had one job. The documents also significantly overstated Straw Buyer 1's income. Further, the documents falsely represented that Straw Buyer 1 had \$6,000 in Straw Buyer 1's bank account, when in truth and in fact, as KILLIKELLY well knew, this money was simply provided by KILLIKELLY on a temporary basis to inflate Straw Buyer 1's assets. The documents also falsely represented that the property would be Straw Buyer 1's primary residence when, in truth and in fact, Straw Buyer 1 never intended to live in the property. The funds for the loans were wired from IndyMac to an escrow account at Citibank, N.A., in New York, New York, which was controlled by GOBERDHAN. GOBERDHAN purported to act as the attorney for Straw Buyer 1 and the closing attorney on the transaction.

f. In or about March 2008, KILLIKELLY submitted documents to IndyMac for an attempted short sale of the 136-27 219th Street property to another straw buyer ("Straw Buyer 2") for \$450,000. The documents included a letter purportedly signed by Straw Buyer 1 stating that Straw Buyer 1 had been laid off, and a document purportedly signed by Straw Buyer 2 stating that Straw Buyer 2 was seeking to purchase the property. Both Straw Buyer 1's and Straw Buyer 2's signatures were forgeries.

g. On or about June 26, 2006, Straw Buyer 1 purchased a house located at 126-38 145th Street, Jamaica, New

York 11436 ("126-38 145th Street") for \$460,000. Straw Buyer 1 purchased the property from another straw buyer recruited by KILLIKELLY, who had purchased the 126-38 145th Street property for \$395,000 on January 13, 2006. In connection with this purchase, Straw Buyer 1 obtained loans from Fremont Investment and Loan, the deposits of which are insured by the FDIC, in the amount of \$460,000. Among other things, the documents submitted to Fremont Investment and Loan falsely stated that Straw Buyer 1 had two jobs, the second of which was different from the second job listed on Straw Buyer 1's loan application to IndyMac for the 136-27 219th Street property. The documents submitted to Fremont Investment and Loan also falsely stated that Straw Buyer 1 intended to reside in the 126-38 145th Street property, when in truth and in fact, as KILLIKELLY well knew, Straw Buyer 1 never intended to live in the property. Additionally, the loan documents falsely represented that Straw Buyer 1 had over \$7,000 in Straw Buyer 1's bank account, when in truth and in fact, shortly before the loan application was submitted, KILLIKELLY provided Straw Buyer 1 with a check in the amount of \$7,000 for deposit into Straw Buyer 1's bank account, with the understanding that the money would be later returned to KILLIKELLY. Further, the loan documents submitted to Fremont Investment and Loan did not disclose that Straw Buyer 1 had purchased the 136-27 219th Street property on or about April 27, 2006, or that Straw Buyer 1

had purchased another property on or about May 25, 2006 for \$413,000. Shortly after the purchase by Straw Buyer 1 of the 126-38 145th Street property, Straw Buyer 1 deeded the title to the 126-38 145th Street property over to a company controlled by KILLIKELLY. The property was then sold by KILLIKELLY's company to another straw buyer on or about October 29, 2007 for \$480,000.

h. GOBERDHAN was the attorney for Straw Buyer 1 on each of Straw Buyer 1's three property purchases, and he was the closing attorney for the October 29, 2007 transaction in which KILLIKELLY sold the 126-38 145th Street property to another straw buyer for \$480,000.

Properties Purchased by Straw Buyer 3

i. In or about early 2007, KILLIKELLY recruited a straw buyer ("Straw Buyer 3") to purchase three properties. KILLIKELLY promised to pay Straw Buyer 3 approximately \$5,000 per property purchased in Straw Buyer 3's name. Straw Buyer 3 purchased a property located at 958 East 108th Street, Brooklyn, New York 11236 ("958 East 108th Street") on or about February 1, 2007 for \$510,000. Straw Buyer 3 purchased a second property located at 120 Patchen Avenue, Brooklyn, New York ("120 Patchen Avenue") on or about February 28, 2007 for \$680,000. Straw Buyer 3 purchased a third property located at 191-35 112th Road, Jamaica, New York ("191-35 112th Road") on or about March 21, 2007 for \$560,000. The seller of both the 120 Patchen Avenue and

191-35 112th Road properties was an entity controlled by KILLIKELLY.

j. In connection with the purchase of the 958 East 108th Street property, Straw Buyer 3 obtained mortgage loans from IndyMac. On or about January 19, 2007, at the request of KILLIKELLY, another individual ("Individual 1") wired \$14,000 to the bank account of Straw Buyer 3, in order to falsely inflate Straw Buyer 3's assets. A few months later, KILLIKELLY instructed Straw Buyer 3 to use the money to make various payments to third parties as directed by KILLIKELLY.

k. Among other things, the documents submitted to IndyMac for the loans for the purchase of the 958 East 108th Street property falsely stated that Straw Buyer 3 had over \$14,000 in his bank account, when in truth and in fact, those funds had been provided by Individual 1 to inflate Straw Buyer 3's assets. Further, a verification of rent form submitted to IndyMac falsely stated that Straw Buyer 3 had been paying \$1,500 per month in rent to a company controlled by KILLIKELLY. Finally, the documents submitted to IndyMac falsely stated the property would be the borrower's primary residence, when in truth and in fact, Straw Buyer 3 never intended to live in the property.

l. Within a few months of the purchase by Straw Buyer 3 of the 958 East 108th Street property and the 120 Patchen

Avenue property, Straw Buyer 3 signed over the deeds to these properties to KILLIKELLY. RAVI PERSAUD, who had acted as Straw Buyer 3's attorney on the 958 East 108th Street property transaction, notarized both deeds on or about April 9, 2007, and submitted the deeds to the New York City Department of Finance, Office of the City Register to be recorded.

Properties Purchased by Straw Buyer 4

m. In or about 2006, HUSSAIN recruited a straw buyer ("Straw Buyer 4") to purchase properties located at 104-36 134th Street, South Richmond Hills, NY 11419 ("104-36 134th Street") and 1764 East 15th Street, Brooklyn, NY 11229 ("1764 East 15th Street"). On or about August 25, 2006, Straw Buyer 4 purchased the 104-36 134th Street property for \$640,000. On or about September 11, 2006 - just 17 days later - Straw Buyer 4 purchased, jointly with another individual, the 1764 East 15th Street property for \$950,000. In connection with the purchase of the 104-36th Street property, Straw Buyer 4 purchased the property using home mortgage loans in the amount of approximately \$640,000 from IndyMac. In connection with the purchase of the 1764 East 15th Street property, Straw Buyer 4 obtained loans from Fremont Investment and Loan in the amount of \$950,000. The loan applications for both purchases falsely stated, among other things, that Straw Buyer 4 had two jobs with a combined monthly income of over \$10,000 per month, and that Straw Buyer 4 intended

the properties to be Straw Buyer 4's primary residence. In truth and in fact, Straw Buyer 4 was unemployed at the time the loans were obtained and never intended to live in either property. Nor was the existence of the mortgage loans with IndyMac in connection with the 104-36 134th Street property disclosed on the subsequent loan applications to Fremont Investment and Loan for the purchase of the 1764 East 15th Street property.

n. The 104-36 134th Street property was purchased by Straw Buyer 4 on or about August 25, 2006 from another straw buyer ("Straw Buyer 5") who had been recruited by LORD. Straw Buyer 5 had previously purchased the 104-36 134th Street property at the direction of LORD on or about January 27, 2006 for \$477,000. The loan applications for this purchase overstated Straw Buyer 5's income and assets, and falsely stated that Straw Buyer 5 intended the property as her primary residence. LORD knew that the property was not intended as the primary residence for Straw Buyer 5, who was working as LORD's live-in nanny at the time of the loan application and who was recruited by LORD to purchase a number of different properties.

o. The closing attorney for the 104-36 134th Street property was RAVI PERSAUD. At the direction of a co-conspirator not named as a defendant herein ("CC-1"), RAVI PERSAUD wrote a check to CC-1 at the closing, drawn on an account controlled by RAVI PERSAUD at the Bank of New York, in New York,

New York, in the amount of \$25,000, to cover the first several months of mortgage payments on Straw Buyer 4's loans. In addition, although HUSSAIN was neither a loan officer of GuyAmerican nor the seller of the property, RAVI PERSAUD wrote a check to HUSSAIN in the amount of \$23,000. RAVI PERSAUD also wrote a check in the amount of \$52,000 to CHEDDI GOBERDHAN. Straw Buyer 5 - the purported seller of the 104-36 134th Street property to Straw Buyer 4 - did not authorize these checks to be written from the sale proceeds and received no money from the sale of the property.

p. In or about April 2007, RAMNAUTH received a letter from IndyMac in respect of the 104-36 134th Street property purchased by Straw Buyer 4. The letter and its attachment specifically stated that the borrower was a straw buyer who was not residing in the property and that the mortgage payments on the loan were being made by a loan officer of GuyAmerican.

Property Purchased by Straw Buyer 6

q. In or about June 2006, LORD recruited another straw buyer ("Straw Buyer 6") to purchase a property located at 91-23 79th Street, Woodhaven NY 11421 ("91-23 79th Street"). Straw Buyer 6 purchased the property on or about June 8, 2006 for \$640,000 from Straw Buyer 5 who, in turn, had purchased the property at LORD's direction on or about January 31, 2006 for

\$482,000. In connection with the purchase of the 91-23 79th Street property, Straw Buyer 6 obtained home mortgage loans in the amount of approximately \$640,000 from IndyMac, which were processed by CC-1 through GuyAmerican. Among other things, the loan applications sent to IndyMac significantly overstated Straw Buyer 6's income. Funds from IndyMac were wired on or about June 8, 2006 to an account at Citibank, N.A., in New York, New York, controlled by GOBERDHAN. From those funds, GOBERDHAN wrote the following two checks, among others, on or about June 8, 2006: (1) a check in the amount of \$50,000 to CC-1 to cover mortgage payments for the property; and (2) a check in the amount of \$25,000 to "Bank of America," which was subsequently endorsed by GOBERDHAN. Both checks stated that they were "Pd at Request of Seller." However, Straw Buyer 5, who sold the 91-23 79th Street property to Straw Buyer 6, did not authorize these checks to be written from the sale proceeds and never received any money from the sale of the property.

Properties Purchased by Straw Buyer 7

r. In or about early 2007, HUSSAIN recruited a straw buyer ("Straw Buyer 7") to purchase two properties located at 104-03 51st Avenue, Corona, NY 11368 ("104-03 51st Street") and 116-12 135th Street, Jamaica, NY 11420 ("116-12 135th Street"). The 104-03 51st Avenue property was purchased by Straw Buyer 7 on April 18, 2007 for \$680,000 from another straw buyer

who, in turn, had purchased the property four months earlier, on December 12, 2006, for \$355,000. The 116-12 135th Street property was purchased on April 20, 2007 for \$640,000 from another straw buyer who, in turn, had purchased the property on December 7, 2006 for \$400,000. In connection with the purchase of the 104-03 51st Street property, Straw Buyer 7 obtained loans from IndyMac in the amount of \$680,000. Among other things, the loan applications submitted to IndyMac falsely represented Straw Buyer 7's employment and income. In addition, a verification of rent form signed by BAKSH falsely represented that Straw Buyer 7 was paying rent to a company controlled by BAKSH in the amount of \$2,100 per month.

s. Prior to the closing of these loans, in or about early April 2007, HUSSAIN and Straw Buyer 7 went to GOBERDHAN's office on Liberty Avenue, in Queens, New York. GOBERDHAN gave HUSSAIN a check made payable to Straw Buyer 7 for \$30,000, which was written on the account of another individual ("Individual 2"). GOBERDHAN instructed HUSSAIN and Straw Buyer 7 to cash the check at a check cashing location, to deposit several thousand dollars into Straw Buyer 7's bank account, and to return the balance of the cash to GOBERDHAN. Straw Buyer 7 then signed some documents without reading them or being told their contents, including a promissory note signed on or about April 5, 2007 by HUSSAIN and Straw Buyer 7, and witnessed by GOBERDHAN, in which

Straw Buyer 7 agreed to repay Individual 2 \$35,000 on or before May 5, 2007. Straw Buyer 7 then walked across the road with HUSSAIN to cash the check at a check cashing establishment. HUSSAIN gave Straw Buyer 7 approximately \$5,000 in cash to deposit into his bank account, and HUSSAIN left with the remainder of the cash.

t. The closing attorney for the 104-03 51st Avenue property was RAVI PERSAUD. In connection with the closing, on or about April 18, 2007, RAVI PERSAUD received funds from the lender by wire into an account controlled by him at Bank of New York, in New York, New York. On or about April 20, 2007, RAVI PERSAUD arranged for HUSSAIN to receive a check in the amount of \$40,000 from the proceeds of the sale of the 104-03 51st Avenue property.

Properties Purchased by Straw Buyer 8

u. In or about January 2007, BAKSH recruited a straw buyer ("Straw Buyer 8") to purchase a property located at 111 168th Street, Jamaica, New York, 11433 ("111-16 168th Street"), in exchange for a fee. Straw Buyer 8 purchased the 111-16 168th Street property on or about January 25, 2007 for \$640,000. In connection with the purchase, Straw Buyer 8 obtained mortgage loans from IndyMac in the full amount of the purchase price. Among other things, the loan applications falsely stated Straw Buyer 8's employment and income, and falsely

stated that Straw Buyer 8 was paying rent in the amount of \$1,200 per month. GOBERDHAN acted as Straw Buyer 8's attorney and the closing attorney on the transaction.

v. On or about May 25, 2007, BAKSH took Straw Buyer 8 to GOBERDHAN's office to sign some documents and to cash a check in the amount of \$25,000. The check was made payable to Straw Buyer 8 and written on the account of Individual 2. One of the documents signed by BAKSH and Straw Buyer 8, and witnessed by GOBERDHAN, on or about May 25, 2007, was a promissory note that provided that Individual 2 would be repaid by July 25, 2007. Straw Buyer 8 did not read this document and was unaware of the obligation to repay Individual 2. After signing the document, Straw Buyer 8 accompanied BAKSH to a check cashing establishment across the road from GOBERDHAN's office, and received approximately \$200 for cashing the check. BAKSH took the balance of the money

Property Purchased by Straw Buyer 9

w. In or about January 2007, BAKSH recruited a straw buyer ("Straw Buyer 9") to purchase three properties. BAKSH promised to pay Straw Buyer 9 \$5,000 per property. The first property, purchased on January 25, 2007 for \$580,000, was located at 87-18 130th Street, Jamaica, NY 11418 ("87-18 130th Street"). The second property, purchased on January 30, 2007 for \$640,000, was located at 129-45 135th Street, Ozone Park, NY

11420 ("129-45 135th Street"). The third property was purchased on February 6, 2007 for \$620,000.

x. With respect to the 129-45 135th Street property, Straw Buyer 9 obtained loans in the full amount of the purchase price from IndyMac. The seller of the 129-45 135th Street property was another straw buyer who had, in turn, purchased the property from Straw Buyer 1. Prior to obtaining the loan from IndyMac, BAKSH gave Straw Buyer 9 approximately \$15,000, and instructed Straw Buyer 9 to deposit the money into Straw Buyer 9's bank account.

y. Among other things, the loan documents submitted to IndyMac falsely stated Straw Buyer 9's employment, income, and assets. Additionally, the loan documentation represented that the 129-45 135th Street property would be Straw Buyer 9's primary residence. In truth and in fact, Straw Buyer 9 never intended to live in the property. Indeed, as BAKSH well knew, Straw Buyer 9 did not pay any mortgage payments out of Straw Buyer 9's own funds. Instead, CC-1 provided cash to Straw Buyer 9 to make the mortgage pavements.

z. Further, the loan documents submitted to IndyMac in respect of the 129-45 135th Street property did not disclose the existence of the loans obtained by Straw Buyer 9 on January 25, 2007 from Fremont Investment and Loan in respect of the purchase of the 87-18 130th Street property. GOBERDHAN was

the attorney for Straw Buyer 9 on both the 129-45 135th Street and the 87-18 130th Street properties. On or about January 26, 2007, at the request of BAKSH, GOBERDHAN wrote a check to CC-1 in the amount of \$61,000 to cover the mortgage payments for Straw Buyer 9.

Property Purchased by Straw Buyer 10

aa. In or about 2006, PEGGY PERSAUD arranged for two straw buyers (including "Straw Buyer 10") to purchase five properties on her behalf, including a property located at 146-07 111th Avenue, Jamaica, New York ("146-07 111th Avenue"). In advance of the purchase of these properties, PEGGY PERSAUD asked GOBERDHAN to draft a document setting forth the arrangement between the straw buyer and PEGGY PERSAUD. In relation to the 146-07 111th Avenue property, for example, that document provided, among other things, that Straw Buyer 10 was purchasing the property on behalf of PEGGY PERSAUD, that all mortgage payments would be made by PEGGY PERSAUD, and that "when requested by PEGGY PERSAUD to transfer title to HER, or anyone on her behalf, [Straw Buyer 10] would do so promptly and . . . agree[s] that all proceeds from the sale of the said property shall be paid to PEGGY PERSAUD or to any other person or entity she elects." The document was signed by Straw Buyer 10 and PEGGY PERSAUD, and was notarized by GOBERDHAN.

bb. In connection with the purchase of the 146-07 111th Avenue property, Straw Buyer 10 obtained loans in the amount of \$424,000 from Fremont Investment and Loan on or about February 28, 2006. GOBERDHAN acted as the closing attorney for this transaction. Contrary to the arrangement described in the previous paragraph, which was not disclosed to the lender, the loan documents falsely represented that the property would be Straw Buyer 10's primary residence.

Property Purchased by Straw Buyer 11

cc. In or about 2006, GEORGE ESSO recruited a straw buyer ("Straw Buyer 11") to purchase a property located at 1054 East 215th Street, Bronx, New York 10469 ("1054 East 215th Street"). In connection with this purchase, Straw Buyer 11 obtained mortgage loans from IndyMac in the amount of \$600,000 on or about August 8, 2006. The documents submitted in connection with the loan application falsely represented, among other things, that (1) Straw Buyer 11 was employed by a restaurant owned by another loan officer of GuyAmerican not named herein, (2) Straw Buyer 11 was renting a property for \$900 per month; and (3) that the property was intended to be Straw Buyer 11's primary residence. In addition, the loan documents failed to disclose that Straw Buyer 11 had purchased another property in the Bronx, New York on or about May 4, 2006 for \$600,000 for which Straw

Buyer 11 had obtained \$600,000 in mortgage loans from another lender.

STATUTORY ALLEGATION

23. From at least in or about 2006, through in or about 2007, in the Southern District of New York and elsewhere, DAVID RAMNAUTH, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," MAHAMOOD HUSSAIN, RAVI PERSAUD, and CHEDDI GOBERDHAN, the defendants, and others known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, to violate Sections 1343 and 1344 of Title 18, United States Code.

24. It was a part and an object of the conspiracy that DAVID RAMNAUTH, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," MAHAMOOD HUSSAIN, RAVI PERSAUD, and CHEDDI GOBERDHAN, the defendants, and others known and unknown, unlawfully, willfully, and knowingly, would and did execute a scheme and artifice to defraud financial institutions, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institutions, by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

25. It was further a part and an object of the conspiracy that DAVID RAMNAUTH, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," MAHAMOOD HUSSAIN, RAVI PERSAUD, and CHEDDI GOBERDHAN, the defendants, and others known and unknown, unlawfully, willfully, and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

OVERT ACTS

26. In furtherance of the conspiracy and to effect the illegal objects thereof, DAVID RAMNAUTH, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," MAHAMOOD HUSSAIN, RAVI PERSAUD, and CHEDDI GOBERDHAN, the defendants, and others known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about January 27, 2006, LORD attended a closing for the purchase of the 104-36 134th Street property by Straw Buyer 5.

b. On or about February 27, 2006, PEGGY PERSAUD submitted home mortgage loan documents to Fremont Investment and Loan on behalf of Straw Buyer 10 in connection with the purchase of 146-07 111th Avenue.

c. On or about April 18, 2006, KILLIKELLY provided Straw Buyer 1 with a check in the amount of \$6,000 to deposit into Straw Buyer 1's bank account for the purpose of inflating Straw Buyer 1's assets on loan applications in connection with the purchase of 136-27 219th Street.

d. On or about August 8, 2006, ESSO signed a loan application for Straw Buyer 11 in connection with the purchase of 1054 East 215th Street.

e. On or about January 26, 2007, GOBERDHAN wrote a check to CC-1 in the amount of \$61,000 from the proceeds of the sale of 87-18 130th Street.

f. On or about March 22, 2007, BAKSH signed a verification of rent form falsely representing that Straw Buyer 7 was paying rent to a company controlled by BAKSH, in connection with the purchase of 104-03 51st Street.

g. On or about April 5, 2007, HUSSAIN signed a promissory note to induce another individual to provide a \$30,000 check to Straw Buyer 7 in connection with the purchase of 104-03 51st Street and 116-12 135th Street

h. On or about April 20, 2007, RAVI PERSAUD caused a check in the amount of \$40,000 to be written to HUSSAIN from the proceeds of the sale of 104-03 51st Street.

i. On or about April 23, 2007, RAMNAUTH wrote a check to a purported loan officer of GuyAmerican in respect of a fraudulent loan in the amount of \$9,320.

j. From in or about at least 2006 through in or about 2007, the defendants, by their actions, caused home mortgage loans funds to be transferred via interstate wire from various lenders to bank accounts in New York, New York.

(Title 18, United States Code, Section 1349.)

COUNT TWO

(Bank Fraud re: 126-38 145th Street, Jamaica, New York)

The Grand Jury further charges:

27. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

28. From in or about April 2006 through in or about June 2006, in the Southern District of New York and elsewhere, ORETTE KILLIKELLY and CHEDDI GOBERDHAN, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys,

funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants submitted and caused to be submitted false residency, employment and financial information, among other things, to Fremont Investment and Loan, in order to procure home mortgage loans in the amount of approximately \$460,000 for the purchase of property at 126-38 145th Street, Jamaica, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT THREE

(Bank Fraud re: 958 East 108th Street, Brooklyn, New York)

The Grand Jury further charges:

29. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

30. From in or about January 2007, through in or about April 2007, in the Southern District of New York and elsewhere, ORETTE KILLIKELLY and RAVI PERSAUD, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the

custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants submitted and caused to be submitted false residency, employment and financial information, among other things, to IndyMac Bank, in order to procure home mortgage loans in the amount of approximately \$510,000 for the purchase of property at 958 East 108th Street, Brooklyn, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT FOUR

(Bank Fraud re: 104-36 134th Street, South Richmond Hills, New York; 1764 East 15th Street, Brooklyn, New York)

The Grand Jury further charges:

31. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

32. In or about August 2006, in the Southern District of New York and elsewhere, MAHAMOOD HUSSAIN and RAVI PERSAUD, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and

promises, to wit, the defendants submitted and caused to be submitted false residency, employment and financial information, among other things, to IndyMac Bank and Fremont Investment and Loan, in order to procure home mortgage loans in the total approximate amount of \$1,590,000 for the purchase of properties at 104-36 134th Street, South Richmond Hills, New York, and 1764 East 15th Street, Brooklyn, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT FIVE

(Bank Fraud re: 91-23 79th Street, Woodhaven, New York)

The Grand Jury further charges:

33. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

34. In or about June 2006, in the Southern District of New York and elsewhere, ELTON LORD and CHEDDI GOBERDHAN, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants submitted and caused to be

submitted false residency, employment and financial information, among other things, to IndyMac Bank, in order to procure home mortgage loans in the amount of approximately \$640,000 for the purchase of property at 91-23 79th Street, Woodhaven, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT SIX

(Bank Fraud re: 104-03 51st Avenue, Corona, New York)

The Grand Jury further charges:

35. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

36. In or about April 2007, in the Southern District of New York and elsewhere, MAHAMOOD HUSSAIN, CHEDDI GOBERDHAN, and RAVI PERSAUD, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants submitted and caused to be submitted false residency, employment and financial information, among other things, to IndyMac Bank, in order to procure home mortgage loans in the

amount of approximately \$680,000 for the purchase of property at 104-03 51st Avenue, Corona, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT SEVEN

(Bank Fraud re: 111-16 168th Street, Jamaica, New York)

The Grand Jury further charges:

37. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

38. From in or about January 2007, through in or about May 2007, in the Southern District of New York and elsewhere, RAFICK BAKSH, a/k/a "Raffi," and CHEDDI GOBERDHAN, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants submitted and caused to be submitted false residency, employment and financial information, among other things, to IndyMac Bank, in order to procure home

mortgage loans in the amount of approximately \$640,000 for the purchase of property at 111-16 168th Street, Jamaica, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT EIGHT

(Bank Fraud re: 87-18 130th Street, Jamaica, New York;
129-45 135th Street, Ozone Park, New York)

The Grand Jury further charges:

39. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

40. In or about January 2007, in the Southern District of New York and elsewhere, RAFICK BAKSH, a/k/a "Raffi," and CHEDDI GOBERDHAN, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants submitted and caused to be submitted false residency, employment and financial information, among other things, to IndyMac Bank and to Fremont Investment and Loan, in order to procure home mortgage loans in the amount of approximately

\$1,220,000 for the purchase of properties at 87-18 130th Street, Jamaica, New York, and 129-45 135th Street, Ozone Park, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT NINE

(Bank Fraud re: 146-07 111th Avenue, Jamaica, New York)

The Grand Jury further charges:

41. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

42. From in or about January 2006, through in or about February 2006, in the Southern District of New York and elsewhere, PEGGY PERSAUD and CHEDDI GOBERDHAN, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants submitted and caused to be submitted false residency information, among other things, to Fremont Investment and Loan, in order to procure home mortgage

loans in the amount of approximately \$424,000 for the purchase of property at 146-07 111th Avenue, Jamaica, New York.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT TEN

(Bank Fraud re: 1054 East 215th Street, Bronx, New York)

The Grand Jury further charges:

43. The allegations set forth in paragraphs 1 through 22 and 26 of this Indictment are re-alleged as if set forth herein in full.

44. In or about August 2006, in the Southern District of New York and elsewhere, GEORGE ESSO and PEGGY PERSAUD, the defendants, unlawfully, willfully, and knowingly, did execute, and attempt to execute, a scheme and artifice to defraud a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, the defendants submitted and caused to be submitted false residency, employment and financial information, among other things, to IndyMac Bank, in order to procure home mortgage loans in the amount of approximately \$600,000 for the purchase of property at 1054 East 215th Street, Bronx, New York.

(Title 18, United States Code, Sections 1344 and 2.)

FORFEITURE ALLEGATION

45. As a result of committing one or more of the offenses alleged in Counts One through Ten of this Indictment, DAVID RAMNAUTH, PEGGY PERSAUD, ORETTE KILLIKELLY, GEORGE ESSO, ELTON LORD, RAFICK BAKSH, a/k/a "Raffi," MAHAMOOD HUSSAIN, RAVI PERSAUD, and CHEDDI GOBERDHAN, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461, any property constituting or derived from proceeds obtained directly or indirectly as a result of the offenses alleged in Counts One through Ten of the Indictment, including but not limited to at least \$23,000,000 in United States currency, in that such sum in aggregate is property representing the approximate amount of proceeds obtained as a result of the bank and wire fraud offenses, for which the defendants are jointly and severally liable.

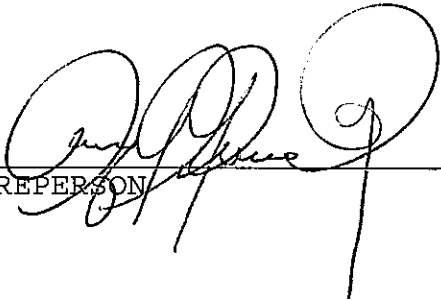
SUBSTITUTE ASSET PROVISION

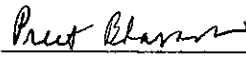
46. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:
- a. cannot be located upon the exercise of due diligence;
 - b. has been transferred or sold to, or deposited with, a third person;

- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)


FOREPERSON


PREET BHARARA
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v -

DAVID RAMNAUTH,
PEGGY PERSAUD,
ORETTE KILLIKELLY,
GEORGE ESSO,
ELTON LORD,
RAFICK BAKSH,
a/k/a "Raffi,"
MAHAMOOD HUSSAIN,
RAVI PERSAUD, and
CHEDDI GOBERDHAN,

Defendants.

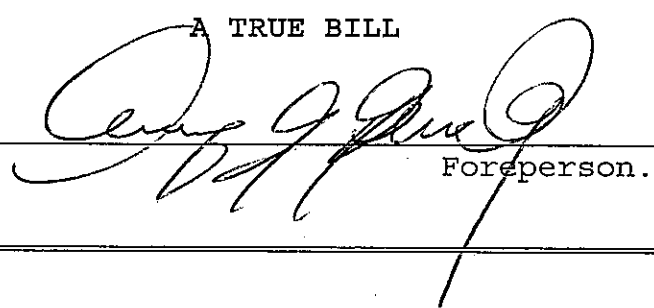
INDICTMENT

S2 09 Cr. 958

(18 U.S.C. §§ 1349, 1344, and 2.)

PREET BHARARA
United States Attorney.

A TRUE BILL


Foreperson.
