

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
) No.
)
)
MOHAMMED ALI “FRANK”) Violation: Title 18, United States Code,
MOALLEM and) Section 1343.
BAHIDAD JAVID)
) **UNDER SEAL.**

COUNT ONE

The SPECIAL JANUARY 2009 GRAND JURY charges:

1. At times material to this indictment:

a. The Federal Bureau of Investigation and the Department of Housing and Urban Development, Office of Inspector General, conducted an undercover operation in which a cooperating individual (CI) posed as someone selling residences to nominee buyers by fraudulently obtaining mortgage loans on behalf of the nominee buyers who would default on the loans; and undercover agents (UCs) posed as the nominee buyers and as paralegals assisting in closing the real estate transactions;

b. As part of this undercover investigation, residences owned by the government, including 4434 W. 117th Street, Alsip, Illinois (4434 W. 117th), were deeded to fictitious identities which the CI represented to be nominee sellers through which he controlled the residence;

c. Defendant BAHIDAD JAVID was the owner of Quantum Financial

Mortgage Company (“Quantum Mortgage”) and was a mortgage broker who prepared loan applications and supporting documentation and submitted them to lenders;

d. Co-Schemer A was a certified public accountant; and

e. First Franklin Financial Corporation (“First Franklin”), was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation, which made mortgage loans.

2. Beginning in or about January 2007 and continuing until in or about May 2007, in the Northern District of Illinois, Eastern Division, and elsewhere,

MOHAMMED ALI “FRANK” MOALLEM, and
BAHIDAD JAVID

defendants herein, together with Co-Schemer A and others known and unknown to the Grand Jury, knowingly devised and participated in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme affected a financial institution, as further described below.

3. It was part of the scheme that defendants MOHAMMED ALI “FRANK” MOALLEM and BAHIDAD JAVID, together with Co-schemer A and other co-schemers, fraudulently obtained mortgage loan proceeds from First Franklin by knowingly causing to be prepared and submitted and submission of a loan application and supporting loan documents on behalf of a nominee buyer of 4434 W. 117th, which contained materially false and fraudulent statements.

4. It was further part of the scheme that, on or about January 17, 2007, defendant

MOHAMMED ALI “FRANK” MOALLEM met with the CI and a UC posing as a nominee buyer who would be using a false identity to purchase 4434 W. 117th and then would default on the loan. At that meeting, defendant MOALLEM agreed that he would facilitate the processing of a fraudulent loan application on behalf of the nominee buyer.

5. It was further part of the scheme that, on or about February 12, 2007, defendant MOHAMMED ALI “FRANK” MOALLEM introduced the CI and the UC to defendant BAHIDAD JAVID, who agreed to assist in preparing false loan documents and submitting a fraudulent loan application on behalf of the nominee buyer knowing that false identities were being used in the transaction.

6. It was further part of the scheme that, on or about February 22, 2007, defendant MOHAMMED ALI “FRANK” MOALLEM introduced the CI to Co-Schemer A who agreed to prepare an accountant’s letter that falsely stated that he, Co-Schemer A, had prepared income tax returns for the fictitious identity being used by the nominee buyer.

7. It was further part of the scheme that Co-Schemer A provided to the CI an accountant’s letter which falsely represented that “George Hessberger P.A.” had prepared tax returns for the fictitious identity being used by the nominee buyer for the past three years, in return for which Co-Schemer A received \$500.

8. It was further part of the scheme that, on or about February 27, 2007, defendant BAHIDAD JAVID met with the CI and the UC and obtained the name, address, and social security number of the fictitious identity being used by the nominee buyer and knowingly used that information to prepare fraudulent loan application documents. During this meeting,

defendant JAVID advised that to deceive the lender it must appear that the fictitious identity had a bank account with sufficient funds that was opened sometime ago and requested that the CI and the UC form a fictitious corporation that would be falsely represented to the lender as the place of employment for the nominee buyer's fictitious identity.

9. It was further part of the scheme that, on or about March 6, 2007, defendants MOHAMMED ALI "FRANK" MOALLEM and BAHIDAD JAVID, and the CI met with Co-Schemer A. During this meeting, Co-Schemer A agreed to prepare false tax returns in the name of the fictitious identity being used by the nominee buyer for tax years 2005 and 2006. BAHIDAD JAVID instructed Co-Schemer A that the 2005 tax return should report income of \$72,000 and that the 2006 tax return should report income of \$75,000 in order to ensure that the loan application would be approved by a lending institution.

10. It was further part of the scheme that, on or about March 21, 2007, Co-Schemer A provided the false tax returns for 2005 and 2006 to the CI and was paid a total of \$1,500 for preparing the false documents.

11. It was further part of the scheme that, on or about March 21, 2007, defendant MOHAMMED ALI "FRANK" MOALLEM and BAHIDAD JAVID met with the CI and the UC. During this meeting, defendant BAHIDAD JAVID received from the CI the false 2005 and 2006 tax returns that had been prepared by Co-Schemer A and copies of fictitious bank account statements under the name of the fictitious identity being used by the nominee buyer that defendant JAVID had requested.

12. It was further part of the scheme that, between February and May 2007,

defendant BAHIDAD JAVID knowingly prepared a loan application in the name of the nominee buyer's fictitious identity, well knowing that this was a fictitious identity, and that the address, place of employment, social security number, and bank account information indicating, a balance of \$91,310.30 at Plaza Bank, were all false.

13. It was further part of the scheme that defendant BAHIDAD JAVID prepared and caused to be prepared a verification of deposit (VOD) which falsely represented that the nominee buyer's fictitious identity was the holder of an account with a balance of \$91,890.30 at Plaza Bank, and submitted the VOD to Plaza Bank for verification, well knowing that the identity being used by the nominee buyer was fictitious and that the CI, pursuant to defendant JAVID's instructions, had arranged for the fictitious identity to be made an account holder on an existing account.

14. It was further part of the scheme that, on or about May 3, 2007, defendant BAHIDAD JAVID and the CI discussed falsifying employment for the nominee buyer's fictitious identity. After the CI informed defendant JAVID that he had arranged for a telephone number to serve as the place of employment for the nominee buyer's fictitious identity, defendant JAVID dialed this telephone number and reviewed the voicemail message for the purported place of employment.

15. It was further part of the scheme that defendant BAHIDAD JAVID directed an employee of Quantum Mortgage to call the telephone number for the purported employer of the nominee buyer's fictitious identity and complete a verification of employment form to include in the loan application package, defendant JAVID well knowing that any

verification of employment would be false.

16. It was further part of the scheme that, on or about May 7, 2007, defendant MOHAMMED ALI “FRANK” MOALLEM purchased a cellular telephone for the CI to provide a telephone number that could be called to verify the rental residence of the nominee buyer’s fictitious identity, and instructed the CI that the voicemail message for the cell phone should falsely represent that the phone number belonged to a landlord of a rental property, and that a lending institution calling this phone number must be able to verify the rental residence of the fictitious identity of the nominee buyer by speaking to someone on the other end of the telephone call.

17. It was further part of the scheme that MOHAMMED ALI “FRANK” MOALLEM and BAHIDAD JAVID caused to be submitted to First Franklin a loan application and supporting documents on behalf of the nominee buyer’s fictitious identity well knowing it to contain materially false and fraudulent statements and documents, including the false verifications of deposit and employment, and the false accountant letter prepared by Co-Schemer A.

18. It was further part of the scheme that, on or about May 31, 2007, the defendants caused First Franklin to close and fund a mortgage loan of approximately \$202,300 to the fictitious identity of the nominee buyer of 4434 W. 117th. During the closing, defendant MOHAMMED ALI “FRANK” MOALLEM obtained proceeds of the fraudulent mortgage loan in the form of a check in the amount of \$3,000. Defendant BAHIDAD JAVID obtained fraud proceeds in the form of a check in the amount of \$2,268.00 payable to JAVID, a

check in the amount of \$16,660.00 payable to JAVID's company, Mascan Realty Co., and a check in the amount of \$6,824.85 payable to JAVID's company, Quantum Mortgage.

19. It was further part of the scheme that defendants MOHAMMED ALI "FRANK" MOALLEM and BAHIDAD JAVID misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the purposes and acts done in furtherance of the scheme.

20. On or about May 31, 2007, in the Northern District of Illinois, Eastern Division, and elsewhere,

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defendants herein, for the purpose of executing the above-described scheme to defraud knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, a funds transfer of approximately \$202,662.64 from Cleveland, Ohio to Schaumburg, Illinois, which funds represented the proceeds of a mortgage loan for the purchase of 4434 W. 117th;

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

The SPECIAL JANUARY 2009 GRAND JURY further charges:

1. The allegations of Count One of this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Section 982.

2. As a result of their violation of Title 18, United States Code, Section 1343, as alleged in the foregoing Indictment,

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defendants herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), any and all right, title, and interest they may have in any property, real and personal, constituting, and derived from, proceeds obtained directly and indirectly, from wire fraud in connection with First Franklin Financial Corporation, which property is subject to forfeiture pursuant to Title 18, United States Code, Section 982.

3. The interests of the defendants, jointly and severally, subject to forfeiture pursuant to Title 18, United States Code, Section 982, include: all money and other property that was the subject of each transaction; constituted and was derived from proceeds of each transaction and was obtained, directly and indirectly, as a result of those violations, including funds in the amount of approximately \$29,252.85;

4. If any of the property subject to forfeiture and described above, 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 party;
- (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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

All pursuant to Title 18, United States Code, Section 982.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY