

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Crim. No. 10-
 :
 EDIVALDO DOS SANTOS : 18 U.S.C. § 1349

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:
 - a. Defendant EDIVALDO DOS SANTOS was a resident of New Jersey and a former mortgage loan officer who was holding himself out as a mortgage consultant.
 - b. The cooperating witness referred to herein ("CW") was a loan officer with a New Jersey mortgage company (the "Mortgage Company").
 - c. CW used a Yahoo! email account in New Jersey to communicate with defendant EDIVALDO DOS SANTOS and his co-conspirators. These emails necessarily were transmitted in interstate commerce because once a user submits a connection request to website servers such as Yahoo!'s or data is transmitted from those website servers back to the user, the data has traveled in interstate commerce. All emails to or from CW described herein pertain to this Yahoo! email account.

d. As of May 20, 2009, the Mortgage Company was a "financial institution" as defined in 18 U.S.C. § 20 because it was a "mortgage lending business[]" as defined in 18 U.S.C. § 27.

2. From in or about August 2009 through in or about February 2010, in Essex, Hudson, and Morris Counties, in the District of New Jersey, and elsewhere, defendant

EDIVALDO DOS SANTOS

did knowingly and intentionally conspire and agree with others to devise a scheme and artifice to defraud, which would affect financial institutions, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, contrary to 18 U.S.C. § 1343.

Object of the Conspiracy

3. It was the object of the conspiracy to obtain mortgage loans through fraudulent means to finance real estate transactions in and near Newark, New Jersey and elsewhere.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that in order to obtain mortgage loans, defendant EDIVALDO DOS SANTOS and others caused to be submitted materially false and fraudulent mortgage loan applications and supporting documents to the Mortgage Company

while engaging in or causing wire communications in interstate commerce, including email exchanges with CW.

5. It was further part of the conspiracy that, in or about August 2009, defendant EDIVALDO DOS SANTOS asked CW to be the loan officer on a fraudulent mortgage transaction involving Ricardo Muniz ("Muniz") as the investor who would purchase property. Defendant EDIVALDO DOS SANTOS indicated that he was trying to find a builder who would be willing to pay cash back to Muniz for purchasing a property from the builder and to deceive the mortgage lender about the purpose of the money paid at closing to Muniz.

6. It was further part of the conspiracy that, on or about September 15, 2009, in Newark, New Jersey, defendant EDIVALDO DOS SANTOS met with CW and Roberta Ferreira ("Ferreira"), a real estate agent, and they discussed that defendant EDIVALDO DOS SANTOS and CW had a client, Muniz, who was interested in buying a property and receiving money back from the seller. Ferreira mentioned that she was aware of an individual (the "Seller"), who was willing to do just that. Ferreira was told by CW that Muniz wished to receive approximately \$50,000 back, which Ferreira affirmed was possible. Ferreira told defendant EDIVALDO DOS SANTOS and CW about a residential property located on Oliver Street in Elizabeth, New Jersey (the "Oliver Street Property") that a recent appraisal had valued at \$440,000, and for which the Seller would be willing to receive approximately \$300,000.

7. It was further part of the conspiracy that, on or about September 29, 2009, defendant EDIVALDO DOS SANTOS and CW met with Jairo Nunes ("Nunes"), a maker of fake documents, in Newark, New Jersey. Nunes sold to CW two months of false bank statements in Muniz' name. At the same meeting, defendant EDIVALDO DOS SANTOS asked Nunes about producing false receipts and billing statements for another individual for whom defendant EDIVALDO DOS SANTOS hoped to acquire a mortgage.

8. It was further part of the conspiracy that, to facilitate the acquisition of false pay stubs and IRS Forms W-2 for Muniz, defendant EDIVALDO DOS SANTOS arranged a meeting on or about October 22, 2009, between himself, CW, and Maria Lourdes Sousa ("Sousa"), a maker of false pay stubs, in Newark, New Jersey. During that meeting, Sousa told CW that she made false pay stubs, and that her sister, Rosa Damasceno ("Damasceno") made false Forms W-2 and tax returns. Sousa told CW that CW could order all the aforementioned false documents through Sousa, who would pass along the relevant portion of the order to Damasceno. Defendant EDIVALDO DOS SANTOS stated that he had previously obtained false documents from both Sousa and Damasceno.

9. It was further part of the conspiracy that, as part of the effort falsely to inflate Muniz' income, defendant EDIVALDO DOS SANTOS and Muniz agreed that CW would obtain false amended tax returns that reflected a higher income for Muniz. To facilitate the acquisition of the false tax returns, defendant

EDIVALDO DOS SANTOS arranged a meeting, on or about October 20, 2009, between himself, CW, and Faye Cargill-Flores ("Cargill-Flores"), a CPA who had previously provided false documents for defendant EDIVALDO DOS SANTOS' associates.

10. It was further part of the conspiracy that, on or about October 20, 2009, defendant EDIVALDO DOS SANTOS and CW met with Cargill-Flores in Convent Station, New Jersey. During the meeting, Cargill-Flores stated she was willing to prepare, amend, and file tax returns, and prepare CPA letters and profit and loss statements for clients of CW.

11. It was further part of the conspiracy that, on or about December 10, 2009, Ferreira told CW that she had told Muniz that, due to a appraisal that valued the Oliver Street Property at only \$340,000, Muniz would receive between \$40,000 and \$50,000 cash back from the Seller at the closing.

12. It was further part of the conspiracy that, on or about December 16, 2009, defendant EDIVALDO DOS SANTOS told CW that Muniz wanted at least \$60,000 cash back to purchase the Oliver Street Property from the Seller.

13. It was further part of the conspiracy that, on or about January 13, 2010, in Kearny, New Jersey, defendant EDIVALDO DOS SANTOS, Ferreira and CW met and discussed Muniz' transaction, and Ferreira explained that there was a misunderstanding between her and the Seller regarding how much money would be paid to Muniz. Ferreira also told defendant EDIVALDO DOS SANTOS and CW that

there would be \$18,000 available in commissions to be split among Ferreira, defendant EDIVALDO DOS SANTOS, and CW.

14. It was further part of the conspiracy that Muniz declined to move forward with the ultimate purchase of the Oliver Street Property after he realized his portion of the illicit proceeds from the scheme would be less than he had expected.

In violation of Title 18, United States Code, Section 1349.



PAUL J. FISHMAN
United States Attorney

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INFORMATION FOR

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PAUL J. FISHMAN

UNITED STATES ATTORNEY, NEWARK, NEW JERSEY

**CHRISTINE MAGDO
ASSISTANT U.S. ATTORNEY
NEWARK, NEW JERSEY
973.645.2724**
