



*United States Attorney
District of New Jersey*



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**FORMER LOAN OFFICER AND DOCUMENT FORGER PLEAD GUILTY
TO ROLES IN MORTGAGE FRAUD SCHEME**

TRENTON, N.J. – Edivaldo dos Santos and Rosa Damasceno each pleaded guilty today to conspiring to commit mortgage fraud, admitting that they attempted to use false documents to secure a fraudulent mortgage loan, United States Attorney Paul J. Fishman announced.

Dos Santos, 52, of Harrison, N.J.; and Damasceno, 59, of Belleville, N.J., were originally charged in June 2010 as part of a coordinated mortgage fraud takedown in which 28 defendants were charged for their alleged roles in various mortgage fraud schemes in northern New Jersey.

The defendants entered their guilty pleas to Informations charging them with conspiracy to commit wire fraud before United States District Judge Freda L. Wolfson in Trenton federal court.

According to documents filed in this case and statements made during the defendants' guilty plea proceedings:

Dos Santos was a former loan officer holding himself out as a mortgage consultant; Damasceno was the owner of a Newark-based company that provided tax services and driver education in Belleville, N.J.

In August 2009, dos Santos asked a loan officer at a New Jersey mortgage company to act as a loan officer on a real estate transaction in which a client would buy a property and then receive money back from the seller at closing. The prospective purchaser was not qualified to obtain the loan, so dos Santos and others provided falsely inflated income information in support of his application. Damasceno created fraudulent W-2 forms in furtherance of the fraud.

At sentencing, dos Santos and Damasceno each face up to 30 years in prison and a fine of \$1 million, or twice the gross gain or loss from the conspiracy. Sentencing is currently scheduled for both defendants on February 16, 2011.

U.S. Attorney Fishman praised agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward in Newark, and the Hudson County Prosecutor's Office, under the direction of Prosecutor Edward J. De Fazio, for their work leading the investigation of this case. He also credited the other members of the Mortgage Fraud Task Force, including the U.S. Department of Housing and Urban Development Office of Inspector General, the Internal

Revenue Service, the United States Secret Service, and United States Postal Inspection Service for their important contributions to the investigation. Fishman also thanked the Department of Homeland Security's Customs and Border Protection and U.S. Citizenship and Immigration Services; the U.S. Social Security Administration; and the New Jersey Attorney General's Office for their assistance.

The government is represented by Assistant U.S. Attorneys Christine Magdo and Charlton A. Rugg of the U.S. Attorney's Office Economic Crimes Unit in Newark.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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Defense counsel:

dos Santos: Gary Mizzone, Esq., Little Falls, N.J.

Damasceno: Robert G. Stahl, Esq., Westfield, N.J.