

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Paul J. Fishman, U.S. Attorney

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Assistant U.S. Attorney:
Diana Carrig
856-968-4927

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FOR IMMEDIATE RELEASE
March 25, 2010

NEW YORK WOMAN CHARGED IN AN ATLANTIC CITY MORTGAGE FRAUD CASE

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CAMDEN – The alleged mastermind of a mortgage fraud and money laundering scheme involving residential properties in Atlantic City had an initial appearance in connection with a 2-count Indictment today, U.S. Attorney Paul J. Fishman announced.

The Indictment charges that Jong Shin conspired with others to obtain more than a million dollars of mortgage loans for unqualified borrowers during June 2006 through December 2006 to purchase seven houses in Atlantic City at inflated prices. The Indictment further alleges that Jong Shin and other members of the conspiracy extracted a portion of the proceeds from the fraudulently obtained mortgage funds paid at the real estate closings, which Shin used to, among other things, gamble, purchase a liquor store, and make payoffs to her coconspirators in furtherance of the scheme.

Shin, 50, of Bayside, New York, surrendered herself earlier today, and following a brief hearing before the Honorable Joel Schneider, U.S. Magistrate Judge, was released on \$100,000 bail. The Indictment is the latest step in an ongoing investigation by the Federal Bureau of Investigation and the Internal Revenue Service - Criminal Investigation Division into fraudulent mortgage loans in southern New Jersey.

According to the Indictment, Jong Shin and her conspirators arranged to sell the Atlantic City properties to “straw purchasers,” that is, friends and acquaintances whom Shin knew had good credit scores, but lacked the financial resources to qualify for mortgage loans to purchase the properties.

According to the Indictment, in exchange for purchasing the properties in their names, Shin promised the straw purchasers that they would not have to pay deposits or closing costs to acquire the properties, would not have to make monthly mortgage payments, and would receive cash after the closing for allowing their names and credit information to be used to buy the properties. The Government maintains that, in completing the borrowers’ loan applications, Shin and her coconspirators claimed fake employers, inflated incomes, false bank account balances, and fictitious assets in order to induce the lenders to extend the mortgage loans.

It is further alleged that Shin and others took proceeds from the fraudulent mortgage loans by having funds wired into various accounts that they controlled. The Indictment further alleged that Shin used some of the proceeds from the mortgage fraud to further the scheme by: (1) making payoffs to her coconspirators, including the straw purchasers, a title clerk and a real estate appraiser; and (2) making two to three payments on each property before allowing the mortgage loans to go into default. In addition, the Indictment alleges that Shin also used the proceeds for personal living expenses, gambling and to purchase a liquor store.

The Indictment charges Jong Shin with one count of conspiracy to commit wire fraud, which carries a statutory maximum prison sentence of 30 years and a statutory maximum fine of not more than \$1,000,000. The Indictment also charges Shin with one count of conspiracy to commit money laundering, which carries a statutory maximum prison sentence of 10 years, and a statutory maximum fine equal to the greatest of \$250,000, twice the gain from the offense, or

twice the loss caused by the offense. Despite the Indictment, however, the defendant is presumed innocent unless and until proved guilty beyond a reasonable doubt.

Fishman credited Special Agents of the FBI's Atlantic City Resident Agency, under the direction of Special Agent in Charge Michael Ward in Newark, New Jersey, and Special Agents of the

IRS - Criminal Investigation Division's Mays Landing Office, under the direction of Special Agent in Charge William P. Offord, for their investigation leading to the Indictment.

The Government is represented by Assistant U.S. Attorney Diana Carrig of the Criminal Division in Camden.

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The defendant is represented by Justin Loughry, Esquire, of Camden.