

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO:

13-20032

18 U.S.C. § 1349
18 U.S.C. § 981(a)(1)(C)

FILED by **FB** D.C.
JAN 22 2013
STEVEN M. LARIMORE
CLERK U.S. DIST. CT
S. D. of FLA. - MIAMI

CR - LENARD

UNITED STATES OF AMERICA

vs.

HIRALDO L. RAMIREZ,

Defendant.

_____ /

JOHN P. FLEGG
O'SULLIVAN

INFORMATION

The United States Attorney alleges that:

GENERAL ALLEGATIONS

At all times relevant to this Information:

1. Pelican Cove on the Bay ("Pelican Cove") was a condominium complex located in Florida. It was owned and developed by R.B. who was a relative of Defendant **HIRALDO L. RAMIREZ, L.R.** and C.R.
2. Great Country Mortgage Bankers ("GCMB") was a Florida corporation doing business as a mortgage lender, with its principal place of business located in Coral Gables, Florida. H.H. and his wife owned and controlled GCMB.
3. GCMB was a direct endorsement Federal Housing Administration ("FHA") lender, which meant that the Department of Housing and Urban Development ("HUD") allowed GCMB to use its own personnel to approve loans that HUD would then insure, protecting GCMB in the event of default. After a loan closed, the loan file was sent to HUD to ensure that all the appropriate documents were submitted and then HUD endorsed the loan, at which time

the loan was insured.

4. The FHA was a division of HUD that provided mortgage insurance to approved commercial lending institutions to enable low-and moderate-income home buyers to obtain loans to purchase homes. FHA insured loans were only for potential home buyers who intended to be a primary resident in the home to be purchased. By offering FHA insured loans, HUD assisted potential buyers in obtaining mortgages at more favorable terms than those otherwise commercially available.

5. To be eligible to receive an FHA insured loan, home buyers were required to establish that their incomes were sufficient to meet the mortgage payments. HUD required the lenders making the loans to verify the home buyers' employment for the two most recent years. These verifications could be accomplished by having the home buyers' employers complete and sign "Verification of Employment" ("VOE") forms. The loan processors were responsible for verifying the authenticity of the VOEs and ensuring that the VOEs were not handled by or transmitted from or through interested third parties, such as real estate agents, builders, or sellers. HUD also required the buyers to provide copies of their most recent paystubs.

6. To be eligible to receive a FHA loan, home buyers were also required to make a minimum equity investment in their homes of at least 3% of the cost of the home. Home buyers were permitted to use gifts from relatives, employers, unions, charitable organizations, or governmental agencies to meet this 3% equity investment. Home buyers were not, however, permitted to meet the equity requirement with gifts from persons or entities with an interest in the sale of the home, such as sellers of the homes. Home buyers and sellers were both required to certify at closing of the real estate transaction that the home buyers had not received

undisclosed payments for closing costs and/or down payments on the property to be purchased.

7. HUD granted “direct endorsement authority” for FHA insured loans to certain lenders. Under the direct endorsement authority program, the lender determined whether the home buyer was eligible for an FHA insured loan. If the lender determined that the buyer was eligible, the lender then submitted to HUD for final approval of FHA insurance eligibility the buyer’s application and all documentation supporting the lender’s decision to approve the loan, including the VOE form, the home buyer’s most recent pay stubs, and documents establishing the home buyer’s equity investment of 3% of the cost of the property.

8. A HUD-1 Settlement Statement (“HUD-1”) was a standard form required to be executed for the closing of all real estate transactions. The HUD-1 itemized for the lenders all aspects of the closing, including an itemized list of payments to be made by the borrower, money due to the seller, and any fees paid to third parties in connection with the closing.

9. GCMB hired loan officers, loan processors, underwriters, and others known and unknown to assist in the sale and financing of mortgage loans for condominium units in Miami-Dade County and elsewhere, including at Pelican Cove.

10. Alex Curbelo was a co-conspirator who worked as a loan officer for GCMB, beginning in or around February 2006 through at least in or around July 2008. He processed loan applications for Pelican Cove, among others.

11. Defendant **HIRALDO L. RAMIREZ** was a Miami-Dade County resident. **RAMIREZ** was recruited by the Pelican Cove developers and was subsequently hired by H.H. to work as a loan officer for GCMB, beginning in or around May 2007 and continuing through in or around June 2008. In that capacity, **RAMIREZ** assisted in the sale and financing of the

condominium units at Pelican Cove.

12. The term “closing” was used in the real estate industry to refer to the event at which the legal transfer of real estate from seller to buyer formally took place and the point at which funds were transferred between the various parties, such as from the lending institution to the buyer and/or to the seller on the buyer’s behalf. The transfer of funds at closing was often accomplished by temporarily passing funds through an intermediary commonly referred to as a “settlement agent” (which was sometimes also a title company).

13. Nehemiah Corporation of America (“NCA”) was a California non-profit corporation, with its principal place of business located in Sacramento, California.

14. Home Downpayment Gift Foundation (“HDGF”) was a Michigan non-profit corporation, with its principal place of business located in Clinton Township, Michigan.

15. NCA and HDGF provided assistance to borrowers who qualified for FHA residential loans by funding the borrowers’ down payment obligations at closing in exchange for a charitable donation in the amount of the down payment plus a funding fee.

**CONSPIRACY TO COMMIT WIRE FRAUD
(18 U.S.C. § 1349)**

16. Paragraphs 1 through 15 of the General Allegation section are realleged and incorporated as though fully set forth herein.

17. From in or around May 2007, and continuing through in or around June 2008, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

HIRALDO L. RAMIREZ

did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate and agree together and with others known and unknown to the

United States Attorney, to knowingly, and with intent to defraud, devise and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and transmitting and causing to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, signals, pictures and sounds, for the purpose of executing the scheme and artifice, in violation of Title 18, United States Code, Section 1343.

PURPOSE OF THE CONSPIRACY

18. It was the purpose of the scheme and artifice for the defendant and his co-conspirators to unlawfully enrich themselves by: (a) converting apartment complexes into residential condominium complexes to be sold at a premium; (b) recruiting unqualified borrowers to purchase and finance the residential condominiums through FHA insured loans; (c) creating and submitting false and fraudulent FHA mortgage loan applications and related documents to GCMB, a lending institution, and HUD, thereby causing unqualified loan applicants to receive FHA insured loans, for which the borrowers could not otherwise qualify for the purchase of the property; and (d) retaining the fraudulently obtained loan proceeds for their personal use and benefit and to further the fraudulent scheme.

MANNER AND MEANS OF CONSPIRACY

The manner and means by which the defendant and his co-conspirators sought to accomplish the object and purpose of the conspiracy included, among others, the following:

19. Developers, including R.B., C.R, and L.R, and others known and unknown, purchased certain apartment buildings in Miami-Dade County and elsewhere and converted them into condominium complexes, including Pelican Cove, to be resold.

20. Developers, including R.B., C.R, and L.R, and others known and unknown, hired GCMB to sell the condominium units. GCMB provided sales support, including marketing materials, office support, and on-site sales personnel to sell the units to prospective buyers. Additionally, the sales personnel, including **HIRALDO L. RAMIREZ** and co-conspirator Alex Curbelo, worked as loan officers, processing prospective buyers' loan applications on behalf of GCMB.

21. **HIRALDO L. RAMIREZ**, Alex Curbelo, and the other co-conspirator loan officers known and unknown, recruited individuals to purchase the condominium units in the complexes listed above.

22. **HIRALDO L. RAMIREZ**, Alex Curbelo, and the other co-conspirator loan officers known and unknown, recruited some of the borrowers to invest in a "rental property," even though GCMB processed FHA insured mortgage loan applications that required the borrower to be the primary resident of the unit.

23. Many, if not all, of the prospective buyers could not qualify for mortgage loans to purchase the condominium units because they had insufficient income and assets, high levels of debt, and outstanding collection amounts. **HIRALDO L. RAMIREZ** knew that these borrowers were unqualified to purchase mortgage loans.

24. For each transaction, **HIRALDO L. RAMIREZ**, Alex Curbelo, and other co-conspirators known and unknown prepared and caused to be prepared false and fraudulent FHA insured mortgage loan applications and other related documents on behalf of the buyers, and submitted and caused to be submitted those false documents to GCMB and HUD in connection with the purchase of the condominium units.

25. The mortgage loan applications prepared on behalf of the buyers contained false

representations of employment, income, and other information necessary for the lender to assess the buyers' qualifications to borrow funds to purchase the units.

26. The loan processors knew the loan applications contained false and fraudulent documents, including VOEs, bank records, paystubs, driver's licenses, and letters of explanation, but processed the false applications and forwarded them to the underwriters for approval anyway.

27. As an incentive, **HIRALDO L. RAMIREZ**, Alex Curbelo, and other co-conspirators known and unknown offered the borrowers "cash-back" purportedly to complete necessary renovations to their units. These payments were given to the borrowers at or around the time of closing. These payments were not disclosed during the mortgage loan application process or on the HUD-1, and were often added to the sales contract as line entry "other" thereby fraudulently increasing the sales price.

28. In order to further the conspiracy, **HIRALDO L. RAMIREZ**, Alex Curbelo, and other co-conspirators known and unknown arranged for non-profit organizations, including NCA and HDGF, to pay the buyers' cash-to-close obligations. Those organizations wired the cash-to-close funds in interstate commerce to GCMB's bank account in Florida.

29. Based on the materially false and fraudulent representations in the buyers' loan applications, GCMB approved the FHA mortgage applications and funded the purchases of the condominium units.

30. After the closing, the unqualified buyers failed to make mortgage payments, causing the units to go into foreclosure. HUD was required to take title to the units and pay the outstanding loan balances to the lenders, resulting in substantial losses to the agency.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATIONS

1. The allegations contained in this Information are realleged and incorporated by reference as though fully set forth herein for the purposes of alleging forfeiture to the United States of America of certain property in which the defendant, **HIRALDO L. RAMIREZ**, has an interest.

2. Upon conviction of a violation of Title 18, United States Code, Section 1349, as alleged in this Information, the defendant, **HIRALDO L. RAMIREZ**, shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the violation, pursuant to Title 18, United States Code, Section 981(a)(1)(C), as made applicable by Title 28, United States Code, Section 2461(c).

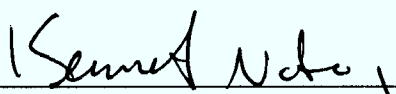
3. The property subject to forfeiture includes, but it is not limited to, the sum of up to \$5,743,694.00 in United States currency, representing the amount of proceeds the defendant derived from the offense alleged in this Information, in the form of a forfeiture money judgment.

4. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

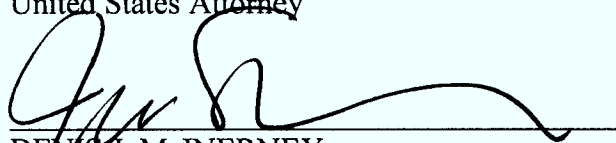
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property that cannot be divided 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 defendant up to the value of the property

subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c), Title 18, United States Code, Section 981(a)(1)(C), and the procedures set forth in Title 21, United States Code, Section 853.



WIFREDO A. FERRER
United States Attorney



DENIS J. McINERNEY
Chief
MARY ANN McCARTHY
Trial Attorney
Criminal Division, Fraud Section
U.S. Department of Justice

UNITED STATES OF AMERICA

CASE NO. _____

vs.

CERTIFICATE OF TRIAL ATTORNEY*

HIRALDO L. RAMIREZ,

Defendant.

Superseding Case Information:

Court Division: (Select One)

X Miami Key West
 FTL WPB FTP

New Defendant(s) Yes No
Number of New Defendants
Total number of counts

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) Yes
List language and/or dialect Spanish

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:

	(Check only one)		(Check only one)
I	0 to 5 days <u>X</u>	Petty	<u> </u>
II	6 to 10 days <u> </u>	Minor	<u> </u>
III	11 to 20 days <u> </u>	Misdem.	<u> </u>
IV	21 to 60 days <u> </u>	Felony	<u>X</u>
V	61 days and over <u> </u>		

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes:
Judge: _____ Case No. _____

(Attach copy of dispositive order)
Has a complaint been filed in this matter? (Yes or No) No

If yes:
Magistrate Case No. _____
Related Miscellaneous numbers: _____
Defendant(s) in federal custody as of _____
Defendant(s) in state custody as of _____
Rule 20 from the _____ District of _____

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? Yes X No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? Yes X No


MARY ANN McCARTHY
DOJ TRIAL ATTORNEY
Court No. A5501634

*Penalty Sheet(s) attached

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: HIRALDO L. RAMIREZ

Case No: _____

Count #:

Conspiracy to Commit Wire Fraud

18 U.S.C. § 1349

*** Max. Penalty:** 20 years' imprisonment

Count #:

***Max. Penalty:** _____

Count #:

***Max. Penalty:** _____

Count #:

***Max. Penalty:** _____

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**