

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

INDICTMENT

BRUCE LEWIS,
JACQUELINE GRAHAM,
ANTHONY VIGNA,
ROCCO CERMELE, and
PAULA GUADAGNO,

16 Cr. 706 ()

Defendants.

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COUNT ONE

(Conspiracy to Commit Mail Fraud, Wire Fraud, and Bank Fraud)

The Grand Jury charges:

RELEVANT PERSONS AND ENTITIES

1. At all times relevant to this Indictment, the Terra Foundation, formerly known as the Pillow Foundation (collectively, "Terra"), was an entity with its principal place of business in Valhalla, New York. Terra held itself out as a business that would investigate, and eliminate, mortgage loans in exchange for a fee.

2. BRUCE LEWIS and JACQUELINE GRAHAM, the defendants, and others known and unknown were partners who owned and operated Terra.

3. ANTHONY VIGNA, the defendant and a licensed attorney, worked in-house within the offices of Terra and provided legal services to Terra and certain of its clients.

4. ROCCO CERMELE, the defendant, was employed by Terra as its director of operations to perform various functions, including client recruitment.

5. PAULA GUADAGNO, the defendant and a real estate title professional, was employed by Terra to perform real estate title services, among other functions.

THE SCHEME TO DEFRAUD

6. From in or about 2011 to in or about 2012, BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown, conspired to engage in a scheme to defraud financial institutions and clients of Terra.

7. BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown, solicited mortgage borrowers who were having difficulties making the payments on their mortgage loans as clients of Terra. LEWIS, GRAHAM, VIGNA, CERMELE, GUADAGNO, and others known and unknown told these potential clients that, in exchange for a fee, Terra could eliminate their mortgage debt using, at a minimum, a three-step procedure that involved: (1) an audit, (2) a "Qualified Written Request" to the client's mortgage lender, and (3) the filing of a discharge of mortgage in the local clerk's office. At all times relevant to this Indictment, LEWIS, GRAHAM, VIGNA, CERMELE, and GUADAGNO knew the

procedure they were marketing was not authorized by law and would not actually result in the satisfaction of the clients' mortgage obligations.

8. To execute their scheme, BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown, filed nearly sixty false mortgage discharges ("the False Discharges") with the clerks in Westchester and Putnam Counties in New York and in Connecticut. Each of the False Discharges involved a loan that had been made by a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation or other federal deposit insurers. The False Discharges purported to discharge mortgages with an aggregate loan principal of over \$33 million and were signed by LEWIS and CERMELE, who sometimes signed LEWIS's name, and who purported to be the "authorized representatives" of many different financial institutions. When members of the conspiracy filed the False Discharges, LEWIS, GRAHAM, VIGNA, CERMELE, and GUADAGNO knew that the related mortgage debts had not been satisfied, that the mortgage lenders had not authorized the filing of the False Discharges, and that neither LEWIS nor CERMELE was the "authorized representative" of the financial institutions for which they purported to sign on the False Discharges.

9. To receive payment for their services from clients, BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown, charged their clients a monthly fee and instructed some of those clients to obtain from financial institutions ("the New Mortgagees") second or reverse mortgages secured by the properties from which the original mortgages had been fraudulently discharged via the False Discharges. Some of these new mortgage loans were federally-insured loans made under the Home Equity Conversion Mortgage ("HECM") Program of the United States Department of Housing and Urban Development's Federal Housing Administration. LEWIS, GRAHAM, VIGNA, CERMELE, and GUADAGNO, and others known and unknown, retained substantial portions of the proceeds of the new mortgage loans as fees for their services.

10. In many instances, BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown, collected fees for audits but never conducted the audits.

STATUTORY LANGUAGE

11. From at least in or about 2011 through in or about 2012, in the Southern District of New York and elsewhere, BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown,

willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, to commit mail fraud, wire fraud, and bank fraud, in violation of Sections 1341, 1343, and 1344 of Title 18, United States Code.

12. It was a part and an object of the conspiracy that BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice, would and did place in a post office and authorized depository for mail matter, a matter and a thing to be sent and delivered by the Postal Service, and would and did deposit and cause to be deposited a matter and a thing to be sent and delivered by a private and commercial interstate carrier, and would and did take and receive therefrom, such matter and thing, and would and did cause to be delivered by mail and such carrier according to the direction thereon, and at the place at which it was directed to be delivered by the person to whom it was addressed, such matter and thing, in violation of Title 18, United States Code, Section 1341, to wit, LEWIS, GRAHAM, VIGNA, CERMELE, and GUADAGNO sent and caused to be sent

by mail certain of the False Discharges and "Qualified Written Requests."

13. It was further a part and an object of the conspiracy that BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, LEWIS, GRAHAM, VIGNA, CERMELE, and GUADAGNO transmitted and caused to be transmitted Internet communications that traveled interstate regarding the False Discharges, "Qualified Written Requests," audits, and other aspects of the Terra scheme.

14. It was further a part and an object of the conspiracy that BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, and others known and unknown, willfully and knowingly, would and did execute a scheme and artifice to defraud a financial institution and to obtain moneys, funds, credits, assets, securities and other

property owned by, and under the custody and control of, a financial institution, by means of false and fraudulent pretenses, representations and promises, in violation of Title 18, United States Code, Section 1344, to wit, LEWIS, GRAHAM, VIGNA, CERMELE, and GUADAGNO filed and caused to be filed the False Discharges and caused the New Mortgagees to issue new mortgages in reliance on the False Discharges.

(Title 18, United States Code, Section 1349.)

FORFEITURE ALLEGATION

15. As a result of committing the offense charged in Count One, BRUCE LEWIS, JACQUELINE GRAHAM, ANTHONY VIGNA, ROCCO CERMELE, and PAULA GUADAGNO, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(c), and Title 28, United States Code, Section 2461(c), any property constituting, and derived from, proceeds obtained directly and indirectly as a result of commission of one or more of the offense charged in Count One of this Indictment.

Substitute Assets Provision

16. If any of the above-described forfeitable property, as a result of any act or omission of defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

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 subdivided 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 above forfeitable property.

(Title 18, United States Code, Section 981(a)(1)(c); Title 21, United States Code, Section 853; and Title 28, United States Code, Section 2461(c).)



3rd person

Preet Bharara

PREET BHARARA
United States Attorney

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(18 U.S.C. § 1349.)

PREET BHARARA

United States Attorney.

