

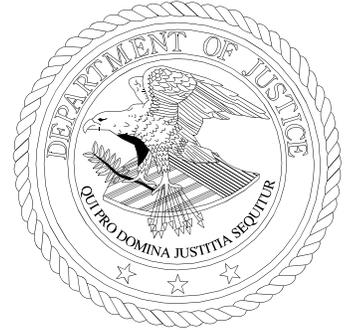
# NEWS

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U.S. Attorney, District of New Jersey  
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Newark, New Jersey 07102

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**Christopher J. Christie, U.S. Attorney**

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burk0909.rel  
FOR IMMEDIATE RELEASE  
Sept. 9, 2003

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New Jersey and Connecticut Men Sentenced to Prison  
for Real Estate Scam Victimizing Indebted Homeowners

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(More)

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NEWARK – Two men who used a real estate business in Lyndhurst to defraud homeowners who had fallen behind on their mortgage or property tax payments were sentenced today to prison terms, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge John C. Lifland sentenced Timothy W. Burke, 51, of Bridgeport, Conn., to 60 months in prison. Judge Lifland also imposed a \$10,000 fine and said Burke must surrender no later than Jan. 5 to begin serving his prison sentence.

Judge Lifland sentenced Paul Ligas, 43, of Lyndhurst, to 57 months in prison and did not impose a fine. Ligas is to surrender no later than Nov. 3.

Burke and Ligas each pleaded guilty on March 20, 2003, to conspiracy to commit equity skimming and mail fraud. “Equity skimming” is a type of fraud in which a third party diverts rental income from residential properties when the original homeowner has defaulted on her mortgage or tax payments, explained Assistant U.S. Attorney Bohdan Vitvitsky.

Between 1993 and 1999, Burke and Ligas conducted business under the names Lincoln Management, Franklin Properties and Tower Management, first at 63 Ridge Road and then at 219 Stuyvesant Ave., both in Lyndhurst. Burke and Ligas admitted that they approached homeowners who had defaulted on their mortgage payments or who had fallen behind on their property tax payments and promised to help the homeowners “wipe the slate clean” and to relieve them of all of their financial obligations related to their homes.

Burke and Ligas admitted that they made various promises to homeowners. For example, they promised to make payments on the homeowners’ mortgage loans, promised to re-negotiate the terms of the mortgage loans with the financial institutions, and to pay off back taxes owed by homeowners.

Relying on those promises, more than a hundred homeowners deeded their homes to Lincoln Management. Immediately after the properties were deeded to Lincoln Management, Burke and Ligas began collecting rents from the persons living in those properties. Sometimes the persons from whom Burke and Ligas were collecting rent were the former homeowners themselves.

But Burke and Ligas did not keep their promises. They simply diverted the rental income from the residential properties until the banks foreclosed on those properties. At that point, the original homeowners would find out that no payments had been made to anyone, and that they were still financially responsible for their mortgage loans.

Burke and Ligas “bought” properties that were located in Newark, Hillside, Patterson, Garfield, West Orange, Plainfield and Ridgewood.

Under U.S. Sentencing Guidelines, Judge Lifland determined the sentences of Burke and Ligas based upon a formula that takes into account the severity and characteristics of the offense as well as each defendant's criminal record.

Christie credited Inspectors from the U.S. Postal Inspection Service, under the direction of Martin D. Phanco, Inspector in Charge, North Jersey-Caribbean Division, and Special Agents from the U.S. Department of Veterans Affairs Office of Inspector General, under the direction of Bruce T. Sackman, Special Agent in Charge, Northeast Field Office for developing the case against Burke and Ligas.

The Government is represented by Assistant U.S. Attorneys Bohdan Vitvitsky, of the U.S. Attorney's Commercial Crimes Unit, and Joyce Malliet, of the Securities and Health Care Fraud Unit, both in Newark.

Defense counsel:

Kenneth Burke – Michael Critchley, Esq. West Orange

Paul Ligas – Kenneth W. Kayser, Esq. Livingston

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