

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.  
v. : Criminal No.  
SYDNEY RAPOSO : 18 U.S.C. §§ 1010 and 2

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Background

1. At all times relevant to this Information:
  - a. N.J. Affordable Homes, Corp. ("NJAH") was a New Jersey corporation with offices in Woodbridge, Hopelawn, and Perth Amboy, New Jersey, and which also did business as, among others: Purely Profit Plus LLC; NJ Affordability Homes Corp.; New York Affordable Project Management Corp.; Speedy Realty, Inc.; Discount Homes R Us, Inc.; H&W Properties, Inc.; NJ Homes of New Jersey, Inc.; Quality Homes aRe Us, LLC ("Quality Homes"); and United Funding Capital. NJAH purportedly was in the business of, among others things, purchasing real property, renovating those properties, and selling them at a profit.
  - b. Defendant **SYDNEY RAPOSO**, a resident of Rahway, New Jersey, was a paralegal in the law office of an attorney identified herein as A.N., an attorney admitted to practice law

in the State of New Jersey who is not named as a defendant herein, and whose office was in Cranford, New Jersey. Defendant **SYDNEY RAPOSO**, under the direction and supervision of A.N., who acted as the closing attorney for certain nominee or "in name only" buyers (the "Nominee Buyers") in connection with a number of fraudulent real estate transactions involving NJAH and others, made false entries on closing documents as detailed herein.

c. Wayne Puff, a New Jersey resident, who is not named as a defendant herein, was the president of NJAH. As set forth more fully below, Wayne Puff recruited Nominee Buyers and orchestrated their purchase of real properties at artificially inflated prices (the "Nominee Properties") by means of materially false and misleading representations and omissions in loan documents and supporting information.

d. First United Mortgage Company ("First United"), with an office located in Cranford, New Jersey, was in the business of, among other things, mortgage brokerage and correspondent mortgage lending. In addition to First United, NJAH utilized the services of various lenders ("Lenders") which issued mortgage loans in conjunction with the purchase of real properties.

e. The United States Department of Housing and Urban Development ("HUD") was an agency of the United States.

f. The Federal Housing Administration ("FHA") was a

division of HUD that administered a mortgage loan insurance program designed to assist low and moderate income borrowers. Under the FHA insurance program, the FHA guaranteed loan payments on certain mortgage loans that met FHA lending criteria.

#### The Fraudulent Scheme

2. From in or about March 2003 through on or about September 12, 2005, under the direction and supervision of A.N., and through the assistance others, defendant **SYDNEY RAPOSO** among other things, made materially false and misleading misrepresentations and omissions in loan application materials and supporting documentation in order to fraudulently obtain money and property from the Lenders, HUD, and/or FHA.

3. It was part of the scheme that NJAH acquired Nominee Properties, many of which were located in Irvington and Newark, New Jersey.

4. It was further part of the scheme that Wayne Puff and others solicited individual investors to purchase the Nominee Properties in name only, as part of a purported investment program described by Wayne Puff and other coconspirators as "Our Money, Your Credit." Under this purported investment program, Wayne Puff, through his company NJAH, applied for mortgage loans in the names of the Nominee Buyers, with or without their knowledge, in order to finance the purchase of the Nominee Properties from NJAH at grossly inflated prices.

5. It was further part of the scheme that, to the extent they were aware of the transactions, Wayne Puff promised the Nominee Buyers that NJAH would pay all carrying costs associated with the Nominee Properties on their behalf, including, but not limited to, monthly principal and interest payments on the mortgage loans.

6. It was further part of the scheme that Wayne Puff promised the Nominee Buyers that NJAH would renovate the Nominee Properties at no cost to them, sell the purportedly improved properties once the renovations were complete, and then pay the Nominee Buyers a portion of the profits of the sales.

7. It was further part of the scheme that Wayne Puff and others caused loan application materials and supporting documents which contained forged signatures of the Nominee Buyers to be submitted to the Lenders, HUD and FHA.

8. It was further part of the scheme that, at A.N's direction and with his knowledge and consent, defendant **SYDNEY RAPOSO** conducted closings on the Nominee Properties, which included preparing and signing materially false and misleading closing documents, including, but not limited to, fraudulent HUD-1 Uniform Settlement Statements ("HUD-1s"), which falsely reflected that the Nominee Buyers had actually provided funds to cover settlement charges to serve as equity in connection with the purchases of the Nominee Properties when, in fact, they had

not.

9. It was further part of the scheme that defendant **SYDNEY RAPOSO** knew and intended that the false and fraudulent HUD-1s were submitted to the Lenders, HUD and FHA.

10. It was further part of the scheme that defendant **SYDNEY RAPOSO**, under the direction and supervision of A.N., caused Lenders to wire transfer loan proceeds from their respective bank accounts through the use of interstate wires, namely, the facilities of the Federal Reserve Banks' Fedwire Funds Service (known as "FEDWIRE") located outside of New Jersey, to accounts maintained on NJAH's behalf located in New Jersey, including A.N.'s attorney trust account located in Cranford, New Jersey.

11. In furtherance of the scheme the following acts were committed in the District of New Jersey:

a. On or about March 9, 2005, under the direction and supervision of A.N., defendant **SYDNEY RAPOSO**, for the purpose of inducing First United to issue and close a mortgage loan to a Nominee Buyer G.D., for the purchase of a Nominee Property located at 51-53 Rose Terrace, Newark, New Jersey (the "Newark Property"), created and signed a materially false and misleading HUD-1 which reflected, among other things, that G.D. had paid money to serve as equity and settlement charges totaling \$16,402.40 in connection with the transaction when, in fact, he had not.

b. Later that same day, defendant **SYDNEY RAPOSO**, under the direction and supervision of A.N., prepared an Addendum to the HUD-1 Settlement Statement that required the signatures of both G.D. and the seller acknowledging that the loan issued to purchase the Newark Property was an FHA insured loan transaction.

12. On or about March 9, 2005, in the District of New Jersey and elsewhere, defendant

**SYDNEY RAPOSO**

did knowingly make, pass, utter, and publish a false statement, namely the HUD-1 Settlement Statement, knowing that the statement was false, for the purpose of obtaining a loan and advance of credit in connection with the property located at 51-53 Rose Terrace, Newark New Jersey, from any person, partnership, association, and corporation with the intent that such loan and advance of credit would be offered to and accepted for insurance, namely the U.S. Department of Housing and Urban Development.

In violation of Title 18, United States Code, Sections 1010 and 2.

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CHRISTOPHER J. CHRISTIE  
United States Attorney