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Former Settlement Agent Gets 12 Years In Prison For Mortgage Fraud And Tax Evasion

NEWARK, N.J. – A former settlement agent from Wyckoff, New Jersey, was sentenced today to 144 months in prison for defrauding banks out of \$1.1 million using phony loan applications for properties in Bergen and Morris Counties, New Jersey, and for failing to pay over \$450,000 in personal income taxes, U.S. Attorney Craig Carpenito announced.

Mark Andreotti, 47, was previously convicted on all six counts of an indictment charging him with bank fraud, conspiracy to commit bank fraud, tax evasion, and failure to file tax returns. He was convicted following a two-week trial before U.S. District Judge Susan D. Wigenton, who imposed the sentence today in Newark federal court.

According to documents filed in this case and the evidence at trial:

In January 2010, Andreotti submitted a loan application to a bank requesting \$625,000 to refinance the mortgage on his house in Wyckoff. Andreotti, who owned and operated Metropolitan Title and Abstract (Metropolitan), used Metropolitan as the settlement agent on the transaction. After the bank transferred the \$625,000 for the refinance to Metropolitan's escrow account, Andreotti spent the money on personal expenses instead of paying off the first mortgage on the house.

In April 2011, Andreotti conspired with another individual who worked as a real estate attorney to obtain \$480,000 by claiming that the money would be used to refinance the mortgage on the attorney's house in Montville, New Jersey. After the bank transferred the money for the refinance to Metropolitan's escrow account, Andreotti kept \$110,000 for himself before transferring the remaining funds to the other conspirator.

In 2010, the IRS initiated collection actions against Andreotti for unpaid personal income taxes. Despite numerous liens and levies and having five rental income properties in addition to his primary residence, Andreotti continued to evade his taxes. He also failed to file tax returns for the tax years 2010 and 2011.

In addition to the prison term, Judge Wigenton sentenced Andreotti to five years of supervised release and ordered him to pay restitution of over \$2.1 million.

U.S. Attorney Carpenito credited special agents of the Federal Housing Finance Agency – Office of Inspector General, under the direction of Special Agent in Charge Steven Perez in Newark; special agents of the FBI, under the direction of Special Agent in Charge Timothy Gallagher in Newark; special agents of IRS-Criminal Investigation, under the direction of Special Agent in Charge Jonathan D. Larsen in Newark; and special agents with the U.S. Attorney's Office, with the investigation.

The government is represented by Assistant U.S. Attorney Shana Chen in of the U.S. Attorney's Office Criminal Division in Newark and Special Assistant U.S. Attorney Charlie Divine of the Federal Housing and Finance Agency – Office of Inspector General.

Defense counsel: Marc Neff, Esq., of Marlton