



Department of Justice

***United States Attorney
District of New Jersey***

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TWO NEW JERSEY MEN ARRAIGNED IN REVERSE MORTGAGE SCHEME

TRENTON, N.J. – A Passaic County, New Jersey, man and a Bergen County, New Jersey, man have been arraigned for their respective roles in a reverse mortgage scheme that took advantage of several elderly homeowners, U.S. Attorney Craig Carpenito announced today.

Rafael Peralta, 46, of Clifton, New Jersey, and Philip Puccio Jr., 40, of Mahwah, New Jersey, were indicted Feb. 8, 2019, by a federal grand jury on one count of conspiracy to commit bank fraud and six counts of bank fraud. They were arraigned March 15, 2019, before U.S. District Judge Anne E. Thompson in Trenton federal court.

According to documents filed in this case and statements made in court:

From November 2007 through December 2010, Peralta and Puccio, home repair contractors, allegedly conspired to fraudulently obtain Home Equity Conversion Mortgage (HECM) – also known as reverse mortgage – proceeds by submitting inflated and fraudulent documentation to various victim banks to influence their decision to approve and fund HECMs. Peralta and Puccio recruited a conspirator to prepare inflated real estate appraisals that falsely increased the value of the properties securing the HECMs, thereby influencing each lender’s decision to provide loans in amounts greater than what would otherwise be available.

Peralta and Puccio also caused the submission of false and fraudulent loan documents that actively concealed the disbursement of loan proceeds to Peralta, Puccio, and entities they owned and controlled. The diverted loan proceeds were deposited into bank accounts controlled by Peralta and Puccio and used for their personal benefit and to further the conspiracy.

The conspiracy to commit bank fraud and bank fraud charges carry a maximum potential penalty of 30 years in prison, a fine of \$1 million, or twice the gross pecuniary gain by the defendants or twice the gross pecuniary loss to others, whichever is greater.

U.S. Attorney Carpenito credited special agents of the Federal Housing Finance Agency, Office of the Inspector General, under the direction of Acting Special Agent in Charge Robert Manchak; special agents of the FBI, under the direction of Special Agent in Charge Gregory W. Ehrie; and special agents of Housing and Urban Development, Office of Inspector General, under the direction of Special Agent in Charge Christina Scaringi, with the investigation leading the charges.

The government is represented by Special Assistant U.S. Attorneys Kevin Di Gregory and Charlie Divine of the U.S. Attorney's Office Criminal Division in Newark and the Federal Housing Finance Agency, Office of the Inspector General.

19-073

Defense counsel:

Peralta: TBD

Puccio: Kevin Roe Esq., Hackensack, New Jersey