



*United States Attorney
District of New Jersey*



FOR IMMEDIATE RELEASE
Aug. 11, 2015
www.justice.gov/usao/nj

CONTACT: Matthew Reilly
Office of Public Affairs
(973) 645-2888

**FORMER LOAN OFFICER SENTENCED TO THREE YEARS IN PRISON FOR HIS
ROLE IN \$2 MILLION MORTGAGE FRAUD SCHEME**

NEWARK N.J. – A Middlesex County, New Jersey, man was sentenced today to 36 months in prison for his role in a large-scale mortgage fraud scheme that caused millions of dollars in losses, U.S. Attorney Paul J. Fishman announced.

Delio Coutinho, 73, of Woodbridge, New Jersey previously pleaded guilty before U.S. District Judge Susan D. Wigenton to an information charging him with conspiracy to commit wire fraud. Judge Wigenton imposed the sentence today in Newark federal court.

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

From March 2008 through June 2012, Coutinho, a loan officer at a northern New Jersey mortgage brokerage company, and others conspired to release liens on encumbered properties via fraudulently arranged short sale transactions. This allowed Coutinho and other conspirators to profit from new fraudulent mortgage loans obtained on the properties from other mortgage lenders. To complete the short sale transactions, Coutinho and others submitted materially false closing and other documents to mortgage lenders. They submitted fraudulent mortgage loan applications to lenders to obtain new loans on multiple properties in Elizabeth, New Jersey. In all, Coutinho and others obtained approximately \$2 million in illegal mortgage proceeds.

In addition to the prison terms, Judge Wigenton ordered Coutinho to serve three years of supervised release and pay more than \$1.3 million in restitution.

U.S. Attorney Fishman credited law enforcement agents of the FBI Newark Mortgage Fraud Task Force, under the direction of Special Agent in Charge Richard M. Frankel; postal inspectors of the U.S. Postal Inspection Service, under the direction of Inspector in Charge Maria L. Kelokates; special agents of the U.S. Department of Housing and Urban Development, Office of Inspector General, under the direction of Special Agent in Charge Christina Scaringi; special agents of the Federal Housing Finance Agency, Office of Inspector General, under the direction of Special Agent in Charge Steven Perez; special agents of the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), under the direction of Special Inspector General Christy Romero; special agents of IRS–Criminal Investigation, under the direction of Special Agent in Charge Jonathan D. Larsen; and the Hudson County Prosecutor’s

Office, under the direction of Prosecutor Esther Suarez, for their roles in the investigation leading to today's sentencing.

The government is represented by Assistant U.S. Attorney Andrew Kogan of the U.S. Attorney's Office Economic Crimes Unit in Newark, as well as Barbara Ward, Acting Chief of the office's Asset Forfeiture and Money Laundering Unit.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. Attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed nearly 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,900 mortgage fraud defendants. For more information on the task force, please visit www.stopfraud.gov

15-307

###

Defense counsel: Michael A. Robbins Esq., West Orange, New Jersey