

PRESS RELEASE

Two Former Employees of New Jersey Mortgage Lending Business Charged for Roles in Mortgage Fraud Scheme

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For Immediate Release

U.S. Attorney's Office, District of New Jersey

NEWARK, N.J. – Two men have been charged in connection with their roles in a large-scale mortgage fraud scheme, U.S. Attorney Philip R. Sellinger announced today.

Christopher J. Gallo, 44, of Old Tappan, New Jersey, and Mehmet A. Elmas, 32, a U.S. citizen who resides in Turkey, are charged by complaint with one count of conspiracy to commit bank fraud. They appeared today before U.S. Magistrate Judge André M. Espinosa in Newark federal court and were each released \$200,000 unsecured bond.

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

Gallo and Elmas were previously employed by a New Jersey-based, privately owned licensed residential mortgage lending business. Gallo was employed as a senior loan officer and Elmas was a mortgage loan officer and Gallo's assistant. From 2018 through October 2023, Gallo and Elmas used their positions to conspire and engage in a fraudulent scheme to falsify loan origination documents sent to mortgage lenders in New Jersey and elsewhere, including their former employer, to fraudulently obtain mortgage loans. Gallo and Elmas routinely mislead mortgage lenders about the intended use of properties to fraudulently secure lower mortgage interest rates. Gallo and Elmas often submitted loan applications falsely stating that the listed borrowers were the primary residents of certain properties when, in fact, those properties were intended to be used as rental or investment properties.

By fraudulently misleading lenders about the true intended use of the properties, Gallo and Elmas secured and profited from mortgage loans that were approved at lower interest rates. The conspiracy also included falsifying property records, including

building safety and financial information of prospective borrowers to facilitate mortgage loan approval. Between 2018 through October 2023, Gallo originated more than \$1.4 billion in loans.

The conspiracy to commit bank fraud charge carries a maximum potential penalty of 30 years in prison and a \$1 million fine, or twice the gross gain or loss from the offense, whichever is greatest.

U.S. Attorney Sellinger credited special agents of the FBI, under the direction of Special Agent in Charge James E. Dennehy in Newark, and special agents of the Federal Housing Finance Agency, Office of Inspector General, under the direction of Special Agent in Charge Robert Manchak, with the investigation leading to today's arrests.

The government is represented by Assistant U.S. Attorney Shontae D. Gray of the Economic Crimes Unit in Newark.

The charges and allegations contained in the complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

[galloelmas.complaint.pdf](#)

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