



*United States Attorney
District of New Jersey*



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**NEW JERSEY ATTORNEY SENTENCED TO ONE YEAR IN PRISON FOR HIS ROLE
IN LARGE SCALE MORTGAGE FRAUD SCHEME**

NEWARK N.J. – A Westfield, New Jersey, man was sentenced today to 12 months in prison for his role in a large-scale mortgage fraud scheme in which he obtained more than \$1 million in illegitimate proceeds, U.S. Attorney Paul J. Fishman announced.

Amedeo Gaglioti, 60, previously pleaded guilty before U.S. District Judge Susan D. Wigenton to an information charging him with wire fraud affecting a financial institution and money laundering. Judge Wigenton imposed the sentence today in Newark federal court.

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

From December 2007 through August 2010, Gaglioti engaged in a scheme to swindle mortgage lenders by causing fake “short sale” transactions and fraudulently obtaining mortgage loans relating to properties primarily located in northern New Jersey. Gaglioti was the closing attorney for these transactions. As part of the scheme, Gaglioti would prepare two sets of false and misleading closing documents, including HUD-1s, for short sale flip transactions. Through the preparation of these documents, as well as other acts, lenders accepted proceeds of purported short sales in full satisfaction of an existing mortgage. Gaglioti also caused lenders to fund mortgages based upon false and misleading information and documentation. Gaglioti obtained more than \$1 million in illegitimate proceeds as a result of the scheme.

In addition to the prison term, Judge Wigenton sentenced Gaglioti to serve three years of supervised release, ordered him to pay restitution of \$2,001,245.89 and entered a forfeiture judgment of \$1 million.

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 Acting Prosecutor Gaetano Gregory, for their roles in the investigation leading to today’s sentencing.

The government is represented by Assistant U.S. Attorneys Lakshmi Srinivasan Herman and 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.

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