



*United States Attorney
District of New Jersey*

FOR IMMEDIATE RELEASE
Oct. 29, 2015
www.justice.gov/usao/nj

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

**SOMERSET COUNTY, NEW JERSEY, BUILDER ADMITS BANK FRAUD
ASSOCIATED WITH BOGUS SALE OF IRVINGTON, NEW JERSEY, PROPERTY**

NEWARK, N.J. – A Neshanic Station, New Jersey, man today admitted his role in a scheme that used straw buyers and phony loan documents to fraudulently obtain a \$400,500 loan on a property in Irvington, New Jersey, U.S. Attorney Paul J. Fishman announced.

Antonio Pimenta, 47, pleaded guilty before U.S. District Judge Esther Salas in Newark federal court to Count Two of an indictment charging him with bank fraud.

According to documents filed and statements made in court:

Pimenta owned and managed Kelmar Construction Co. (“Kelmar”). Kelmar built multiple properties in Irvington, New Jersey. These properties were sold to straw buyers utilizing fraudulent mortgage loans brokered by loan officer, Klary Arcentales, 47, of Lyndhurst, New Jersey, and closed by settlement agent Linda Cohen, 57, of Orange, New Jersey, who used fraudulent settlement statements (HUD-1s) to hide the true sources and destinations of the mortgage funds. The straw buyers had no means of paying the mortgages, and many of the properties entered into foreclosure proceedings.

One such transaction took place in September 2007 on a property located at 97 22nd Street in Irvington, New Jersey, which was built by Kelmar. The mortgage loan application contained false and fraudulent information concerning the straw buyer’s income, employment and rental history. The application also falsely represented that the straw buyer intended to reside in the property as his primary residence. The straw buyer also represented to JP Morgan Chase that he would make a down payment of \$44,500. Based on the bogus information, JP Morgan Chase agreed to fund a mortgage loan of approximately \$400,500.

Pimenta admitted that despite the fact that he never received a down payment, he knowingly signed a settlement statement that falsely indicated that the payment was made. Afterwards, Pimenta and Kelmar received approximately \$381,000 from the fraudulent transaction. No payments were ever made to JP Morgan Chase for this mortgage loan.

The charge to which Pimenta pleaded guilty carries a maximum potential penalty of 30 years in prison and a \$1 million fine. Sentencing is scheduled for Feb. 16, 2016.

Arcentales and Cohen have both pleaded guilty to related charges and await sentencing.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Richard M. Frankel; special agents of IRS-Criminal Investigation, under the direction of Special Agent in Charge Jonathan D. Larsen; and special agents of the Federal Housing Finance Agency, Office of the Inspector General, under the direction of Special Agent in Charge Steven Perez, for the investigation leading to today's plea. Fishman also thanked the Social Security Administration, Office of the Inspector General, under the direction of Special Agent in Charge Edward J. Ryan, for its role in the investigation.

The government is represented by Special Assistant U.S. Attorney Sean M. Farrell and Assistant U.S. Attorneys Zach Intrater and Rahul Agarwal of the U.S. Attorney's Office Criminal Division in Newark.

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

15-396

###

Defense counsel: Alain Leibman Esq., Princeton, New Jersey