

**Department of Justice**

U.S. Attorney's Office

District of New Jersey

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FOR IMMEDIATE RELEASE

Tuesday, December 17, 2019

## **New York Man Admits Role In Defrauding Banks In \$3.5 Million 'Shotgun' Loan Scheme**

NEWARK, N.J. – A Bronx, New York, man today admitted participating in a conspiracy to carry out a \$3.5 million scheme to use bogus information and simultaneous loan applications at multiple banks to fraudulently obtain home equity lines of credit, a practice known as “shotgunning,” U.S. Attorney Craig Carpenito announced.

Saoud “Sam” Rihan, 59, pleaded guilty before U.S. District Judge John Michael Vazquez to an indictment charging him with one count of conspiracy to commit bank fraud.

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

Rihan was a business partner of Simon Curanaj, 65, of Yonkers, New York. From 2012 through January 2014, Rihan, Curanaj, and others conspired to fraudulently obtain multiple home equity lines of credit (HELOC) from banks on residential properties in New Jersey and New York.

In 2013, Rihan and Curanaj executed a deed to transfer ownership of a Bronx property to people identified in the complaint as “Individual 1” and “Individual 2,” neither of whom lived at the property. Rihan offered Individuals 1 and 2 \$10,000 cash payments for acting as straw borrowers but never paid them. Rihan and Curanaj then applied for three HELOCs valued at \$750,000 from multiple banks in the name of Individual 2.

Rihan and Curanaj hid the fact that the same Bronx property was pledged as collateral in all three applications. The applications also fraudulently inflated Individual 2's income. In addition, at the time the applications were made, the value of the Bronx property, which was encumbered by a mortgage, was far less than the amount of the HELOC loans that Rihan and the real estate broker applied for.

The victim banks eventually issued loans to Individual 2 in excess of \$370,000. After the victim banks funded the HELOCs and deposited money into Individual 2's bank accounts, Individual 2 disbursed almost all of the funds to Rihan, Curanaj, and others. In 2014, Individual 2 defaulted on all the HELOC loans.

The overall scheme resulted in over \$3.5 million in losses to the victim banks.

Rihan faces a maximum potential penalty of 30 years in prison and a \$1 million fine, or twice the gross gain or loss from the offense. Sentencing is scheduled for March 25, 2020.

Curanaj previously pleaded guilty to his role in the scheme and is awaiting sentencing.

U.S. Attorney Carpenito credited special agents of the Federal Housing Finance Agency – Office of Inspector General (FHFA-OIG), under the direction of Special Agent in Charge Robert Manchak in Newark; and special agents of the FBI, under the direction Special Agent in Charge Gregory W. Ehrie in Newark, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Jason S. Gould of the U.S. Attorney's Office Criminal Division in Newark and Special Assistant U.S. Attorney Kevin DiGregory of the FHFA-OIG.

Defense Counsel: Jeffrey Garrigan Esq., Jersey City, New Jersey

**Attachment(s):**

 [Download rihan.indictment\\_0.pdf](#)

**Component(s):**

USAO - New Jersey

**Topic(s):**

Financial Fraud