

Press Release

Real Estate Investor Pleads Guilty to \$230 Million Fraud Conspiracy

Thursday, May 21, 2026

For Immediate Release

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

TRENTON, N.J. – A New York man pleaded guilty today to participating in a scheme to fraudulently obtain more than \$229.6 million in loans and to acquire multifamily and commercial properties through deception, U.S. Attorney Robert Frazer announced.

Mordichai Weiss, 29, of Monsey, New York, pleaded guilty before U.S. District Judge Robert Kirsch in Trenton federal court to an information charging him with one count of wire fraud conspiracy.

“Commercial mortgage fraud schemes of this scale undermine the integrity of the lending system and inflict significant losses on financial institutions and taxpayers alike. Weiss and his co-conspirators orchestrated an elaborate scheme built on falsified records designed to trick lenders into funding loans that never should have been approved, resulting in tens of millions of dollars in losses to lenders and the public fisc. This case demonstrates our Office’s commitment to holding accountable those who exploit the financial system through deception and fraud.”

- U.S. Attorney Robert Frazer

“Multifamily properties serve an essential role in our housing system,” said Federal Housing Finance Agency Office of Inspector General (FHFA-OIG) Special Agent in Charge Robert Manchak. “When fraudsters like Weiss and his co-conspirators provide false financial information to obtain loans on these properties, they not only defraud the lenders, but they also harm innocent tenants in New Jersey and across the U.S. who live in these buildings. In partnership with the U.S. Attorney’s Office, FHFA-OIG will continue to vigorously identify, investigate, and prosecute the fraudsters who undermine the integrity of our mortgage finance system.”

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

Between April 2022 and June 2023, Weiss conspired with others to deceive lenders into issuing multifamily and commercial mortgage loans in amounts they otherwise would not have approved. To carry out the scheme, Weiss and his co-conspirators submitted falsified documents to lenders, including altered bank records and fraudulent settlement statements, to misrepresent the true purchase prices of the properties.

For example, in May 2023, Weiss agreed to purchase an apartment complex in Houston, Texas for approximately \$66.9 million. Weiss and his co-conspirators provided the lender with a fraudulent purchase agreement reflecting a price of \$97.8 million. That inflated figure was repeated across multiple falsified documents submitted in support of the loan. Relying on these misrepresentations, the lender approved and funded a loan of approximately \$68.5 million, on which Weiss later defaulted.

In total, Weiss obtained approximately \$229.6 million in loans from multiple financial institutions through this scheme. Ultimately, he defaulted on the loans, or the loan balances substantially exceeded the value of the underlying collateral, resulting in approximately \$94.4 million in losses to lenders, including the Federal National Mortgage Association, commonly known as Fannie Mae, and the Federal Home Loan Mortgage Corporation, commonly known as Freddie Mac.

The sole count in the Information carries a maximum penalty of twenty years' imprisonment and a fine of up to \$250,000, or twice the gross loss to the victim or gain to the defendant, whichever is greatest. The sentencing date is not yet scheduled.

On April 7, the Department of Justice announced the creation of the National Fraud Enforcement Division. The core mission of the Fraud Division is to zealously investigate and prosecute those who steal or fraudulently misuse taxpayer dollars. Department of Justice efforts to combat fraud support President Trump's Task Force to Eliminate Fraud, a whole-of-government effort chaired by Vice President J.D. Vance to eliminate fraud, waste, and abuse within Federal benefit programs.

U.S. Attorney Frazer credited special agents of the FHFA-OIG with the investigation. The government is represented by Assistant U.S. Attorney Matt Belgiovine of the Criminal Division in Trenton.

Defense counsel: Gedalia Stern, Esq.

[weiss.information.pdf](#)

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