



*United States Attorney
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NEW YORK MAN ARRESTED FOR ROLE IN ‘SHOTGUN’ LOAN SCHEME

NEWARK, N.J. – A Bronx, New York, man is charged with carrying out a 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 today.

Saoud “Sam” Rihan, 57, was arrested Jan. 28, 2018 and charged by complaint with one count of conspiracy to commit bank fraud. He is scheduled to appear this afternoon before U.S. Magistrate Judge Cathy L. Waldor in Newark federal court.

According to the complaint:

Rihan was a business partner of Simon Curanaj, 63, 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.

For example, 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 and Curanaj then applied for three HELOCs 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 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.

The charge and allegations against Rihan are merely accusations, and he is presumed innocent unless and until proven guilty.

Curanaj previously pleaded guilty to his role in the scheme and awaits 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 Steven Perez in Newark; and special agents of the FBI, under the direction Special Agent in Charge Timothy Gallagher in Newark, with the investigation.

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.