



*United States Attorney
District of New Jersey*



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**ESSEX COUNTY, NEW JERSEY, MAN SENTENCED TO TWO YEARS IN PRISON
FOR HIS ROLE IN \$5 MILLION MORTGAGE FRAUD SCHEME**

NEWARK N.J. – A Nutley, New Jersey, man was sentenced today to 24 months in prison for his role in a massive mortgage fraud scheme involving multiple properties in Elizabeth, New Jersey, U.S. Attorney Paul J. Fishman announced.

Kenneth Sweetman, 34, previously pleaded guilty before U.S. District Judge Susan D. Wigenton to an information charging him with one count of conspiring to commit wire fraud affecting a financial institution. Judge Wigenton imposed the sentence today in Newark federal court.

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

From March 2011 through July 2012, Sweetman, Carmine Fusco, 47, of East Hanover, New Jersey, and others conspired to obtain mortgage loans through fraudulent means. For their roles in the scheme, Sweetman and Fusco formed shell limited liability companies with names similar to licensed title companies. They then opened bank accounts in the shell companies' names to conceal their identity and control the receipt and distribution of fraudulently obtained mortgage loan proceeds. Sweetman and Fusco also conducted real estate closings even though they were neither licensed attorneys nor title agents. In addition, Sweetman, Fusco and other conspirators submitted false and fraudulent loan applications, supporting documents and closing documents to mortgage lenders. Among other things, these documents included and reflected fraudulent gift loans, false appraisals and documents that misrepresented the owner of properties and the intended disposition of loan proceeds.

Using these methods, Sweetman, Fusco, and others conducted 16 fraudulent real estate transactions, including 11 Elizabeth properties, and obtained more than \$5 million in illegitimate proceeds.

In addition to the prison terms, Judge Wigenton ordered Sweetman to serve three years of supervised release and pay \$2,233,131.55 in restitution.

Fusco previously pleaded guilty before Judge Wigenton to a separate information charging him with conspiring to commit wire fraud affecting a financial institution. He was sentenced on July 13, 2015 to 27 months in prison and ordered to pay \$2,233,131.55 in restitution.

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 Prosecutor Esther Suarez, for their roles in the investigation leading to today’s plea.

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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Defense counsel:

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