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**Department of Justice**

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Thursday, March 10, 2022

## **Essex County Man Sentenced to 108 Months in Prison for Mortgage and Securities Fraud Schemes**

NEWARK, N.J. – An Essex County, New Jersey, man was sentenced today to 108 months in prison for conspiring to obtain mortgage loans to finance the sale of properties to unqualified buyers, securities fraud by inducing a victim into investing over \$1.2 million into real estate companies under false pretenses, and violation of supervised release, Attorney for the United States Vikas Khanna announced.

Maurice Bethea, 54, of Newark, previously pleaded guilty before U.S. District Judge Susan D. Wigenton to an information charging him with one count of bank fraud conspiracy and one count of securities fraud. Judge Wigenton imposed the sentence today in Newark federal court.

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

From May 2009 through June 2012, Bethea and others recruited buyers to purchase multi-unit residential properties owned by Westinghouse Redevelopment Act Inc., a company Bethea controlled. Bethea and his conspirators used false information about the buyers' assets and income to support fraudulent mortgage loan applications to a mortgage company. They falsified the buyers' loan application by boosting liquid assets. Bethea and his conspirators transferred cash from Westinghouse's and others' accounts to the buyers' bank accounts and falsified documents to hide the transfers. After the loans were approved, Bethea and his conspirators caused the return of the funds to Westinghouse. When it came time to close the transactions, Bethea and his conspirators defrauded the mortgage company by hiding that Westinghouse and others, not the buyers, provided the cash to close the transactions. Ultimately, the buyers were not able to repay the loans, which resulted in losses to several financial institutions.

From April 2017 through May 2018, Bethea deceived an individual into investing in Bethea's real estate companies. Bethea told the victim that he would invest his money in companies that Bethea owned and that were in the business of buying foreclosed homes, renovating the homes,

and then reselling the properties. Bethea falsely promised the victim that Bethea would pay him a 12 percent return on his investment and \$10,000 each time one of Bethea's companies sold a property. In reality, Bethea took the victim's \$1.27 million investment, spent the money for other purposes, and then lied to the victim about Bethea's failure to make monthly interest payments and the condition of the properties under Bethea's control.

The 108-month sentence imposed today includes a 21-month sentence for violation of supervised release; Bethea was on supervised release for an earlier conviction at the time he committed the counts he pleaded guilty to in this case. In addition to the prison term, Judge Wigenton sentenced Bethea to five years of supervised release. Restitution will be determined at a later date.

Attorney for the United States Khanna credited special agents of the Federal Housing Finance Agency, Office of Inspector General, under the direction of Special Agent in Charge Robert Manchak; special agents of the U.S. Department of Housing & Urban Development, Office of Inspector General, Mid-Atlantic Region, under the direction of Special Agent in Charge Shawn Rice; and special agents of the FBI, under the direction of Special Agent in Charge George M. Crouch Jr. in Newark, with the investigation leading to the sentencing.

The government is represented by Assistant U.S. Attorneys Andrew M. Trombly of the Cybercrime Unit and Ari B. Fontecchio of the Special Prosecutions Division in Newark, and Special Assistant U.S. Attorneys Kevin V. Di Gregory and Charlie L. Divine of the Federal Housing Finance Agency, Office of Inspector General.

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