

Department of Justice

U.S. Attorney's Office

District of Connecticut

FOR IMMEDIATE RELEASE

Wednesday, May 19, 2021

New York Men Charged with Mortgage Fraud Offenses Related to Loan for Hartford Apartment Buildings

Leonard C Boyle, Acting United States Attorney for the District of Connecticut, announced that JACOB DEUTSCH, 56, of Brooklyn, New York, and ARON DEUTSCH, 60, of Monsey, New York, were arrested today on federal conspiracy, fraud and false statement offenses related to a mortgage fraud scheme involving a loan for two Hartford properties.

As alleged in court documents, Jacob and Aron Deutsch work at B H Property Management, LLC ("BHPM"), a property management company that manages several multifamily housing properties in Hartford. Jacob Deutsch has been responsible for the day-to-day operations of BHPM, and Aron Deutsch has coordinated maintenance and construction activities for the housing properties managed by BHPM. In April 2017, the Deutsches and others, through an entity known as 16 53 Evergreen Avenue LLC ("Evergreen LLC"), purchased two Hartford properties, 16 Evergreen Avenue, a 24-unit housing property, and 53 Evergreen Avenue, a 12-unit housing property, for a total of approximately \$1.8 million.

It is alleged that the Deutsches defrauded CBRE Capital Markets, Inc. ("CBRE"), a mortgage origination and servicing company, and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), when applying for, and ultimately acquiring, a mortgage loan for Evergreen LLC to refinance the purchase of the two Hartford properties. The loan application documents contained numerous misrepresentations about 16 Evergreen Avenue's occupancy rate and net operating income. For instance, a rent roll and income and expense summary submitted by Jacob Deutsch in June 2018 falsely represented that 16 Evergreen Avenue was 100 percent occupied when, in fact, not a single tenant resided there at the time. Based on these misrepresentations, in August 2018, CBRE underwrote a Freddie Mac Small Balance Loan for \$2,178,000 secured by 16 Evergreen Avenue and 53 Evergreen Avenue, and then immediately sold that loan to Freddie Mac at closing.

Jacob and Aron Deutsch are each charged by criminal complaint with conspiracy to commit mail and wire fraud, wire fraud, mail fraud, and making false statements. After they appeared today via videoconference before U.S. Magistrate Judge Thomas O. Farrish, Jacob Deutsch was released on a \$50,000 bond and Aron Deutsch was released on a \$100,000 bond.

Acting U.S. Attorney Boyle stressed that a complaint is only a charge and is not evidence of guilt. Charges are only allegations, and a defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.

This investigation is being conducted by the U.S. Postal Inspection Service and the Federal Housing Finance Agency's Office of Inspector General. The case is being prosecuted by Assistant U.S. Attorneys Heather Cherry and Sarah Gruber.

Topic(s):

Financial Fraud
Mortgage Fraud

Component(s):

[USAO - Connecticut](#)