

5 Indians among 7 charged in bank fraud case in US

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New York: Five Indian-origin persons are among seven charged with conspiring to commit bank fraud in the US through a scheme that resulted in losses of over USD three million to the victims.

Jyoteshna Karan, 43, Praveen Singh, 36 and Mahendra Prasad, 53, of California have been arrested while the remaining defendants each received summons to appear for arraignment -- Phul Singh, 79, and Sunita Singh, 60, Nani Isaac, 69 and Martin Bahrami, 42.

If convicted, each defendant faces a maximum statutory penalty of 30 years in prison and a million dollar fine per count.

A federal grand jury returned a 15-count indictment this week against the seven individuals, charging them with conspiracy to commit mail fraud and bank fraud and aiding and abetting, and making false statements to a bank in a mortgage fraud scheme, United States Attorney Benjamin Wagner said.

According to court documents, the defendants conspired to defraud mortgage lending companies and financial institutions by making false statements on loan applications and short-sale applications in order to obtain properties under their names.

The false statements included statements relating to the defendants' employment, their familial relationship, income, and their intent to occupy the home as their primary residence.

The conspiracy encompassed at least 25 properties from Sacramento to Modesto in California and as a result of the scheme, lenders lost in excess of USD 3 million.

"The short sale process is intended to assist legitimately distressed homeowners," Special Agent in Charge, Federal Housing Finance Agency Office of Inspector General, Leslie DeMarco said.

"Our investigation disclosed that Karan and others allegedly manipulated the process for their personal gain," DeMarco added.

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