

Indictment Charges Former Employees of Allentown Mortgage Co.

FOR IMMEDIATE RELEASE

May 1, 2013

PHILADELPHIA - The former general manager and five former employees of Madison Funding, Inc., a now-defunct Allentown mortgage loan origination company, are charged by indictment, unsealed today, in a mortgage fraud conspiracy that caused mortgage lending businesses to issue millions of dollars worth of loans that were based on false information. All six defendants are charged with conspiracy to commit fraud and related crimes. A seventh former employee is charged in an information with one count of making a false report to the Department of Housing and Urban Development. The indictment was announced by United States Attorney Zane David Memeger.

Charged are: Joel Tillett, 36, of Whitehall, PA, who was the general manager; loan officers Jason Boggs, 35, who was also a branch manager, and Claribel Gonzalez, 42; loan processors Florentina Peralta, 33, Ghovanna Gonzalez, 34, all of Allentown, and Angela Diaz, 35, of Bethlehem. Denise Peralta, 32, of Allentown, is charged by information.

According to the indictment, between October 2006 and at least June 2008, the defendants conspired to defraud mortgage lenders by submitting loan applications that contained false information about the borrowers which was often supported by falsified, forged, and altered documents. The mortgage lenders, which included Washington Mutual Inc., Countrywide Home Loans, Mortgage IT, International Mortgage Corporation, and Security Atlantic Mortgage Company, relied on the defendants' fraudulent representations and provided Madison Funding's clients with millions of dollars in loans to purchase real estate. Each funded loan generated thousands of dollars worth of commissions to Madison Funding and its employees. Many of those loans have since defaulted and some of them were insured by the Federal Housing Administration ("FHA"), which was an agency within the United States Department of Housing and Urban Development ("HUD").

The indictment further alleges that Boggs and Claribel Gonzalez helped clients apply for loans to purchase multiple properties while indicating on each loan application that these would be the primary residence of the loan applicant when, in fact, the defendants knew that was false.

The indictment alleges that in April 2007, Claribel Gonzalez and Florentina Peralta left the Madison Funding branch run by Tillett and opened a new branch of Madison Funding, where they engaged in similar crimes. Gonzalez and Peralta are also charged with committing bank fraud in connection with a personal mortgage loan for Gonzalez.

If convicted of all charges, in addition to possible restitution, the defendants face the following possible sentences:

Joel Tillett and Angela Diaz: a maximum of seven years in prison, three years of supervised release, a \$500,000 fine, and a \$200 special assessment;

Jason Boggs: a maximum of 11 years in prison, three years of supervised release, a \$1 million fine, and a \$400 special assessment;

Claribel Gonzalez: a maximum of 40 years in prison, five years of supervised release, a \$1.5 million fine, and a \$300 special assessment;

Florentina Peralta: a maximum of 52 years in prison, five years of supervised release, a \$3 million fine, and a \$900 special assessment;

Ghovanna Gonzalez: a maximum of nine years in prison, a three year period of supervised release, a \$750,000 fine, and a \$400 special assessment;

Denise Peralta: a maximum of one year in prison, one year of supervised release, a \$1,000 fine, and a \$25 special assessment.

The case was investigated by the Department of Housing and Urban Development Office of the Inspector General, the Federal Deposit Insurance Corporation Office of Inspector General, and the Federal Housing Finance Agency Office of Inspector General. It is being prosecuted by Assistant United States Attorney Mark B. Dubnoff.

UNITED STATES ATTORNEY'S OFFICE, EASTERN DISTRICT of PENNSYLVANIA

Suite 1250, 615 Chestnut Street, Philadelphia, PA 19106

PATTY HARTMAN, Media Contact, 215-861-8525