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## Attorney General Announces Mortgage Fraud Indictments

**TRENTON** – Attorney General Anne Milgram announced today the indictment of six people charged in three separate, unrelated mortgage fraud cases, including two women charged with spearheading a conspiracy to use stolen identities to obtain more than \$1 million in unauthorized mortgages, lines of credit and credit cards.

“The conduct charged in these indictments is unconscionable. It is the kind of greed-driven fraud that is harmful not only to those who were directly victimized but, ultimately, to consumers and legitimate businesses throughout the industry. We are committed to identifying, investigating and prosecuting this type of crime,” said Milgram.

Charged in a 17-count State grand jury indictment with conspiracy, eight counts of theft by deception, seven counts of identity theft and one count of money laundering are Yi Feng Reid, 48, of Closter, Bergen county, and Yu Jane Chen, 42, whose last known address was Philadelphia.

Charged in the same indictment with one count each of conspiracy, theft by deception and identity theft are George Liu, 33, and Ji Gang Chen, 53. Both men once lived in New York, and now reside in China.

According to Division of Criminal Justice Director Deborah Gramiccioni, defendants Reid and Yu Jane Chen both were involved in the mortgage and small business loan industry in the Bergen County area, and unlawfully used the identities of other people to obtain mortgages, other types of loans and unauthorized credit card accounts from 2004 through mid-2007.

Gramiccioni said some victims of the alleged identity theft gave Reid and Yu Jane Chen their personal and financial information in the process of seeking, and ultimately obtaining, a loan. In other cases, victims provided their personal information while beginning the loan process, then changed their minds and elected not to seek a loan.

Those who provided Reid and Yu Jane Chen with identifying information later learned their names had been used to secure unauthorized mortgages, loans and credit cards.

Reid and Yu Jane Chen are accused of being the principal co-conspirators. With their help, co-defendant George Liu allegedly obtained two mortgages on a family member's house totaling \$314,000 by using that relative's identity, along with false tax returns and phony employment information. Co-defendant Ji Gang Chen, also assisted by Reid and Yu Jane Chen, allegedly obtained four mortgages on a family member's house totaling \$446,000 by using the family member's identity, as well as false employment and wage information.

In all, the four defendants are charged with obtaining seven mortgages totaling \$850,000 by using stolen identities and false information. In addition, 13 bank-approved loans and credit accounts worth a total of more than \$300,000 were opened using stolen identities. Numerous banks in Pennsylvania, New Jersey and New York were defrauded.

Among other things, Reid and Yu Jane Chen allegedly used checks, credit card transactions and cash proceeds from their unlawfully-obtained accounts to make ATM withdrawals, and to buy goods at supermarkets, gas stations, toy stores, jewelry stores and other retail outlets. Other credit and cash proceeds were allegedly used to pay for ponies to entertain Reid's child, to pay Reid's nanny, to pay for the EZ Pass account of a Reid family member and to pay the expenses of Reid-operated businesses.

Yu Jane Chen allegedly used credit and cash proceeds to make a variety of jewelry purchases, and to pay the expenses of several businesses in which she was involved. Thousands of dollars also went to pay a spiritual adviser shared by both Reid and Yu Jane Chen. In some cases, proceeds from the unauthorized loans were used to make payments on other fraudulently-obtained credit accounts.

Most offenses charged in the Reid/Yu Jane Chen indictment are second-degree.

In an unrelated indictment, commercial loan broker Ramon Coscolluela, 30, of Union, was charged by a State grand jury with one count each of theft by deception (second degree) and attempted theft by deception (second degree).

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Coscolluela, owner of Templar Group LLC of Newark, allegedly falsified five loan applications submitted to Commerce Bank in 2007 and 2008 on behalf clients who paid him fees ranging from \$1,000 to \$6,000.

Four of the loan applications were rejected, but a fifth loan request for \$100,000 was granted. When the borrower defaulted on the loan, it prompted a bank review of the other four applications Coscolluela had submitted.

Each of the applications was allegedly found to contain inflated or false information not supplied by Coscolluela's clients. Applications submitted by Coscolluela on behalf of his clients typically contained false information about the liquid assets they possessed, the value of their homes and/or the net worth of their businesses.

Coscolluela's clients were never refunded the fees he charged them.

In a third mortgage-fraud indictment, Terrance Givens, 32, of East Orange, was charged with one count of theft by deception (second degree.)

According to Criminal Justice Director Grammicioni, Givens lied about his employment history on a mortgage application in 2005. Specifically, he falsely listed his employer as Wall Designs, Inc. of Newark, a business founded by a relative that, for all intents and purposes, never existed.

In addition to misrepresenting his employment history to the New Century Mortgage Company, Givens allegedly submitted false W-2 forms for the years 2002, 2003 and 2004 showing annual wages of between \$67,000 and \$72,000.

On the basis of the false information he provided, Givens was approved for, and received, a \$200,000 mortgage loan which subsequently went into foreclosure.

An indictment is merely an accusation. All defendants are presumed innocent until proven guilty. Second-degree crimes carry a penalty of between five-and-10 years in prison and fines ranging from \$150,000-to-\$500,000 per offense.

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