

The United States Attorney's Office

Eastern District of New York

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PRESS RELEASE**TWO FORMER PRINCIPALS OF OLYMPIA MORTGAGE INDICTED ON CONSPIRACY, WIRE FRAUD, AND BANK FRAUD CHARGES**

Benton J. Campbell, United States Attorney for the Eastern District of New York, and Mark J. Mershon, Assistant Director-in-Charge of the Federal Bureau of Investigation, New York Field Division, today announced the filing of an indictment charging LEIB PINTER and BARRY GOLDSTEIN, two former principals of Olympia Mortgage Corporation, a Brooklyn, New York-based mortgage lender, with conspiracy, wire fraud, and bank fraud. 🗨️

The defendants' initial appearances and arraignments are scheduled later today before United States Magistrate Judge Joan M. Azrack at the U. S. Courthouse, 225 Cadman Plaza East, Brooklyn, New York. The case has been assigned to United States District Judge Nina Gershon.

The indictment charges two fraudulent schemes. In the first, PINTER is charged with fraud in connection with the theft of \$44 million of payoff proceeds for refinanced mortgage loans funded by Fannie Mae and serviced by Olympia (the "Fannie Mae Fraud"). In the second, GOLDSTEIN is charged with fraud in connection with Olympia's sale of a portfolio of non-performing mortgage loans to Credit Suisse First Boston ("CSFB") using falsified loan histories (the "CSFB Fraud").

The Fannie Mae Fraud

According to the indictment, Olympia originated and serviced mortgage loans owned by Fannie Mae, and some of those loans were refinanced through Olympia. When Olympia refinanced a Fannie Mae mortgage loan, Fannie Mae wired the money to an Olympia account. Olympia was then required to pay off the underlying mortgage loan by remitting the outstanding balance to Fannie Mae. Instead, PINTER allegedly misappropriated the proceeds of the refinanced mortgage loan for the benefit of Olympia. When the fraudulent scheme was revealed, Fannie Mae held nearly \$44 million in unpaid, but refinanced, underlying mortgage loans from Olympia.

The CSFB Fraud

The indictment alleges that Olympia also sold loans to investors, including CSFB, now doing business as Credit Suisse. Prior to purchasing a loan, CSFB required Olympia to produce, among other things, a loan history detailing what payments were made by the homeowners and whether those payments were made on time. Olympia owned several loans for which payments had not been made in a timely manner. In an effort to induce CSFB to purchase these non-performing loans, GOLDSTEIN directed Olympia employees to alter delinquent loan histories to reflect that all payments were made in a timely manner. CSFB purchased 12 loans whose histories had been fraudulently altered in this manner.

"Investigating and prosecuting mortgage-related fraud is a priority of the Department of Justice and this office," stated United States Attorney Campbell. "Those who enrich themselves at the expense of mortgage lenders are on notice that such crimes will not be tolerated."

FBI Assistant Director-in-Charge Mershon stated, "Commercial banks and government loan guarantors assume some risk in assessing mortgage loans. But deliberate misrepresentation by unscrupulous mortgage brokers, lenders, or appraisers can trump even determined due diligence. The FBI and the U.S. Attorney are committing more resources than ever to policing the mortgage lending arena."

If convicted of either of the conspiracy to commit wire fraud or wire fraud counts, PINTER faces a maximum term of imprisonment of 30 years. If convicted of either of the conspiracy to commit bank fraud or bank fraud counts, GOLDSTEIN faces a maximum term of imprisonment of 30 years.

The government's case is being prosecuted by Assistant United States Attorneys Jonathan E. Green and Daniel A. Spector.

The Defendants:LEIB PINTER
Age: 64BARRY GOLDSTEIN
Age: 59