



# SIGTARP |

Office of the Special Inspector General  
For The Troubled Asset Relief Program

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Media Inquiries: 202-927-8940

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## **DEFENDANT IN MULTI-MILLION DOLLAR SCHEME TO DECEIVE HOMEOWNERS INTO SELLING THEIR HOMES EXTRADITED FROM UKRAINE**

*Herzel Meiri is Charged with Advertising Help to Those Seeking to Avoid Foreclosure in  
Order to Deceive Homeowners into Selling Their Homes*

Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (“SIGTARP”), Preet Bharara, the United States Attorney for the Southern District of New York, William F. Sweeney Jr., the Assistant Director-in-Charge of the New York Field Division of the Federal Bureau of Investigation (“FBI”), and Maria T. Vullo, Financial Services Superintendent for the New York State Department of Financial Services (“DFS”), announced today the extradition from Ukraine of HERZEL MEIRI, who was indicted on March 16, 2016, on fraud and money laundering charges in connection with a scheme to fraudulently induce distressed homeowners to sell their homes to a company he owned and controlled. MEIRI, who arrived in the District yesterday, had been arrested by Ukrainian authorities on October 27, 2016. He will be arraigned in front of Magistrate Judge Ronald L. Ellis today. The case is assigned to United States District Judge Edgardo Ramos. MEIRI was the seventh defendant to be indicted in connection with the scheme.

Special Inspector General for TARP Christy Goldsmith Romero said: “Herzel Meiri is charged with preying on struggling homeowners trying to avoid foreclosure. Meiri and his co-conspirators allegedly promised victims mortgage modifications when in fact they were swindling them out of their homes. SIGTARP thanks U.S. Attorney Bharara, Superintendent Vullo, and the FBI for their commitment to protecting taxpayers from TARP-related crime.”

U.S. Attorney Preet Bharara said: “Herzel Meiri allegedly concocted a callous scheme to swindle desperate homeowners out of their homes. As alleged, Meiri lied to his victims, who thought that they were getting the financial help they needed but instead were being tricked into signing over their homes. Thanks to our law enforcement partners – the FBI, SIGTARP, and DFS – Meiri is now in U.S. custody and will have to answer for his alleged crimes.”

Assistant Director-in-Charge William F. Sweeney Jr. said: “When desperate homeowners fall prey to false relief schemes, their vulnerabilities are often exploited by those who seek to benefit from their misfortune. As alleged, Meiri’s behavior caused serious damage to struggling families who unknowingly funded his extravagant scheme. The FBI continues to support partnerships within the financial industry and law enforcement as we work together to combat this serious crime.”

DFS Financial Services Superintendent Maria T. Vullo said: “These allegations paint the portrait of a con artist who cold-heartedly preyed on financially distressed homeowners – some of whom are among our most vulnerable – to satisfy his selfish greed. The Department of Financial Services is proud to have worked with our fellow law enforcement partners in helping to bring this defendant to justice.”

According to the allegations in the Fourth Superseding Indictment, which was unsealed in November 2016, as well as the Complaints previously filed in this action<sup>1</sup>:

Since at least 2013, MEIRI and his co-defendants have defrauded distressed homeowners throughout the Bronx, Brooklyn, and Queens. MEIRI and others falsely represented to these homeowners – some of whom were elderly or in poor health – that they could assist them with a loan modification or similar relief from foreclosure that would allow the homeowners to save their homes. But rather than actually assisting these homeowners, the defendants deceived them into selling their homes to Launch Development LLC (“Launch Development”), a for-profit real estate company owned and controlled by MEIRI.

MEIRI and others lured victims through Homeowners Assistance Service of New York (“HASNY”), which purported to provide assistance to homeowners who were seeking to avoid foreclosure of their homes. As part of the scheme, MEIRI directed employees of Launch Development to solicit owners of distressed properties and invite them to meet with HASNY representatives so that they could learn more about avoiding foreclosure and saving their homes.

When a homeowner arrived at the HASNY office, he or she met with a co-conspirator, who typically advised the homeowner that HASNY could assist him or her with a loan modification. In other cases, the homeowner was advised that a loan modification could not be completed, but that the homeowner could engage in a type of short sale in which the homeowner would sell the property to a third party, Launch Development, and then within approximately 90 days arrange for a relative of the homeowner to repurchase the property from Launch Development. Homeowners were typically advised that they could remain in their homes throughout the entire process. At the closing that followed, a homeowner who had been led to believe that he or she was about to receive a loan modification or transfer the property to a trusted relative was encouraged to sign documents presented by another co-conspirator, which in some cases were blank. Unbeknownst to the homeowners, by signing the documents, they were selling to Launch Development the homes they had hoped to save. Homeowners often were then forced to vacate their homes soon thereafter, and Launch Development re-sold many of the homes, which were purchased at fraudulently deflated prices, for an enormous profit.

In addition, MEIRI and a co-conspirator transferred the proceeds of the home sales from Launch Development to other companies MEIRI owned and controlled, falsely describing the transfers as, among other things, rent payments. The proceeds were ultimately transferred back to Launch Development or spent on luxury items for MEIRI.

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<sup>1</sup> As the introductory phrase signifies, the entirety of the text of the Indictment and the Complaints, and the description of the Indictment and the Complaints set forth herein, constitute only allegations, and every fact described should be treated as an allegation.

MEIRI is charged with one count of conspiracy to commit wire fraud and bank fraud and one count of conspiracy to commit bank fraud, each of which carries a maximum term of 30 years in prison. In addition, MEIRI is charged with two counts of money laundering, one of which carries a maximum term of 20 years in prison and one of which carries a maximum term of 10 years in prison, and one count of conspiracy to commit money laundering, which carries a maximum term of 20 years in prison. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

The prosecution of this case is being overseen by the U.S Attorney's General Crimes Unit. Assistant U.S. Attorneys Jaimie L. Nawaday and Andrew Thomas are in charge of the case.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

**About SIGTARP**

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets financial institution crime and is an independent watchdog protecting taxpayer dollars. As of February 2, 2017, SIGTARP investigations have resulted in the recovery of \$10 billion to the government and 192 defendants sentenced to prison.

To report a suspected crime related to TARP, call SIGTARP's Crime Tip Hotline: 1-877-744-2009. To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at [www.SIGTARP.gov](http://www.SIGTARP.gov). Follow SIGTARP on Twitter @SIGTARP.

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