



SIGTARP

OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

FOR IMMEDIATE RELEASE

Wednesday, Aug. 12, 2015

Media Inquiries: 202-927-8940

Twitter: @SIGTARP

Web: www.SIGTARP.gov

FORMER LOAN OFFICER SENTENCED IN MULTI-MILLION DOLLAR MORTGAGE FRAUD SCHEME

WASHINGTON, DC - Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Paul J. Fishman, United States Attorney for the District of New Jersey announced that Delio Coutinho, 73, of Woodbridge, N.J., was sentenced to 36 months in prison and to pay more than \$1.3 million in restitution by U.S. District Judge Susan D. Wigenton in Newark, N.J., federal court for his role in a large-scale mortgage fraud that caused millions of dollars in losses. Coutinho previously pleaded guilty to an information charging him with conspiracy to commit wire fraud.

“Coutinho, a loan officer, was sentenced to 36 months in federal prison for his part in a fraudulent mortgage scheme, which is exactly the type of fraud that helped lead to the nation’s financial crisis in 2008,” said Christy Goldsmith Romero, Special Inspector General for TARP (SIGTARP). “Coutinho, with his co-conspirators, fraudulently arranged short sales on numerous properties in New Jersey, only to turn around and obtain financing for new mortgages on the properties by submitting false documentation to mortgage lenders, including TARP banks. I commend United States Attorney Fishman and our law enforcement partners for continuing to bring to justice those who defraud TARP banks.”

According to documents filed in this case and statements made in court:

From March 2008 through June 2012, Coutinho, a loan officer at a northern New Jersey mortgage brokerage company, and others conspired to release liens on encumbered properties via fraudulently arranged short sale transactions. This allowed Coutinho and other conspirators to profit from new fraudulent mortgage loans obtained on the properties from other mortgage lenders. To complete the short sale transactions, Coutinho and others submitted materially false closing and other documents to mortgage lenders. They submitted fraudulent mortgage loan applications to lenders to obtain new loans on multiple properties in Elizabeth, New Jersey. In all, Coutinho and others obtained approximately \$2 million in illegal mortgage proceeds.

This case is being investigated by SIGTARP, the Federal Bureau of Investigation, the U.S. Postal Inspection Service, the U.S. Department of Housing and Urban Development Office of Inspector General, the Federal Housing Finance Agency Office of Inspector General, the Internal Revenue Service - Criminal Investigation, and the Hudson County [New Jersey] Prosecutor’s Office.

The government is represented by Assistant U.S. Attorney Andrew Kogan of the U.S. Attorney's Office Economic Crimes Unit in Newark, as well as Barbara Ward, Acting Chief of the office's Asset Forfeiture and Money Laundering Unit.

This prosecution was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, which was established to wage an aggressive and coordinated effort to investigate and prosecute financial crimes. SIGTARP is a member of the task force. To learn more about the President's Financial Fraud Enforcement Task Force, please visit www.StopFraud.gov.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

To receive alerts about quarterly reports, new audits, and media releases issued by SIGTARP, sign up at www.SIGTARP.gov/pages/press.aspx. Follow SIGTARP on Twitter @SIGTARP.

###