



The City of New York  
Department of Investigation

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**BROOKLYN MAN ARRESTED ON CHARGES OF DEED AND MORTGAGE FRAUD**

ROSE GILL HEARN, Commissioner of the New York City Department of Investigation ("DOI"), announced today the arrest of FERNANDO MALDONADO on charges that he stole a six-story apartment building on South 2<sup>nd</sup> Street in Brooklyn by filing a fraudulent deed with the New York City Department of Finance ("DOF"). In addition, he is also accused of trying to obtain a mortgage worth more than \$1 million dollars, stealing money from a lender and filing phony documents with the New York City Department of Buildings ("DOB") in order to improperly obtain a stop work order on the property. The office of Kings County District Attorney Charles J. Hynes is prosecuting the case.

DOI Commissioner Rose Gill Hearn said, "Stealing a building and using it in an effort to steal more than a million dollars in loan money, as charged here, is about as brazen a scam as can be imagined. But with a paper trail of phony documents, and a string of charges that can lead to substantial prison terms, the foolishness of the scheme has been exposed. As homeowners struggle to pay their mortgages and hold onto their homes, law enforcement agencies will remain vigilant in investigating such fraudulent transactions to protect the public."

MALDONADO, 47, of Brooklyn, has been charged with one count each of Grand Larceny in the First Degree, a class B felony; Attempted Grand Larceny in the First Degree, a class C felony; Attempted Grand Larceny in the Second Degree, Grand Larceny in the Third Degree and Forgery in the Second Degree, class D felonies; and two counts each of Falsifying Business Records in the First Degree and Offering a False Instrument for Filing in the First Degree, class E felonies; and misdemeanors. Upon conviction, a class B felony is punishable by up to 25 years in prison, a class C felony by up to 15 years in prison, a class D felony by up to seven years in prison and a class E felony by up to four years in prison.

DOI began investigating in November 2008 after DOF notified it of deed fraud allegations involving MALDONADO and the property.

According to the criminal complaint, the crimes took place between May 2007 and October 2008. DOI's investigation found that between April and September 2008, MALDONADO attempted to obtain a mortgage on the property in excess of \$1 million dollars and then, in October 2008, he filed a fraudulent deed with DOF transferring the Brooklyn property to himself, indicating he was the owner. In addition to attempting to obtain the mortgage, MALDONADO also sought a loan in excess of \$50,000, for which he received in excess of \$3,000 in payments. DOI's investigation also found that between May and December 2007, MALDONADO

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indicated he was the individual responsible for the building and that he had not authorized any work there. As a result, DOB issued a stop work order at the site, according to the criminal complaint.

The stop work order was subsequently reversed when the real owners provided proof of their ownership to DOB.

DOI found that MALDONADO was able to perpetrate his scheme because he had previously been the President of the property's Cooperative Board and his name appeared on the original deed, which he had signed on behalf of the Cooperative Board. In fact, MALDONADO has not been a tenant at the building or an officer of the co-op board since 1992 when he was evicted.

DOI Commissioner Rose Gill Hearn thanked DOF Commissioner Martha E. Stark, DOB Commissioner Robert LiMandri and Kings County District Attorney Charles J. Hynes and their staffs for their assistance in the investigation.

The investigation was conducted by DOI's Office of the Inspector General for DOF with the assistance of DOI's Office of the Inspector General for DOB.

Assistant District Attorney Richard Farrell of the Rackets Bureau in the office of Kings County District Attorney Charles J. Hynes is assigned to the prosecution.

A criminal complaint is an accusation. A defendant is presumed innocent until proven guilty.

*DOI is one of the oldest law-enforcement agencies in the country. The agency investigates and refers for prosecution City employees and contractors engaged in corrupt or fraudulent activities or unethical conduct. Investigations may involve any agency, officer, elected official or employee of the City, as well as those who do business with or receive benefits from the City.*

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