



U.S. Department of Justice

Bridget M. Rohde
*Acting United States Attorney
Eastern District of New York*

100 Federal Plaza
Central Islip, New York 11722

FOR IMMEDIATE RELEASE

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Contact:

John Marzulli
Tyler Daniels
United States Attorney's Office
(718) 254-6323

PRESS RELEASE

**TOP EXECUTIVES AT LONG ISLAND MORTGAGE LENDER ARRESTED FOR
ENGAGING IN \$8.9 MILLION FRAUD**

Defendants Misused Money Ostensibly Obtained To Fund Mortgage Loans

A complaint was unsealed today in federal court in Central Islip, New York, charging Edward E. Bohm, Edward J. Sypher, Jr., and Matthew T. Voss, senior executives at Long Island mortgage lender Vanguard Funding, LLC (Vanguard), with conspiracy to commit wire and bank fraud in connection with their obtaining more than \$8.9 million of warehouse loans for Vanguard to fund mortgages. The defendants allegedly misused the loans to pay personal expenses and compensation, as well as to repay earlier fraudulently obtained loans. Bohm, Sypher and Voss were arrested this morning, and their initial appearances are scheduled for this afternoon before United States Magistrate Judge Arlene R. Lindsay.

The arrests were announced by Bridget M. Rohde, Acting United States Attorney for the Eastern District of New York, William F. Sweeney, Jr., Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI), and Maria T. Vullo, Superintendent, New York State Department of Financial Services.

“As alleged, the defendants – executives of a mortgage lender – defrauded banks into lending them money by stating that the money would fund new mortgages or refinance existing ones,” stated Acting United States Attorney Rohde. “We will continue to address dishonesty in the mortgage industry whether the victims are financial institutions, investors, or homeowners, as it ultimately hurts all of us as a community.”

“As alleged, the defendants sought short-term loans from financial institutions that served as a repository for lenders,” stated FBI Assistant Director-in-Charge Sweeney. “They then allegedly took the money, which is typically intended for borrowers looking to purchase a home, and used it for their own personal gain. Today’s charges are proof of our continued

determination to root out those whose business practices attempt to harm the financial integrity of banks and financial institutions that facilitate homeownership.”

“These defendants, for their own gain, allegedly defrauded the financial institutions that provide funding for individuals to buy homes, and they must be held accountable,” said Financial Services Superintendent Vullo. “As the regulator and protector of financial services companies in New York, the Department of Financial Services is proud to have assisted the Acting United States Attorney in bringing these defendants to justice.”

According to the complaint unsealed this morning, between August 2016 and March 2017, Voss, Vanguard’s Chief Operating Officer, Sypher, the Chief Financial Officer, and Bohm, the President of Sales, engaged in a scheme in which they obtained warehouse loans, or short-term loans, for Vanguard by falsely representing that Vanguard would use the proceeds of those loans to fund mortgages or mortgage refinancing for Vanguard’s clients. Once Vanguard received the loans, however, the defendants used the monies to pay personal expenses and compensation and to pay off loans they had previously obtained with fraudulent loan submissions for improper purposes. Nearly \$9 million of fraudulently obtained, and subsequently misused, loans have been identified so far.

In a recorded conversation with a co-conspirator in 2017, Bohm expressed confidence that they would evade criminal liability because the victims of their fraudulent scheme were financial institutions. “At the end of the day, the s--- we did wasn’t to the public,” Bohm stated in part, according to the complaint.

The charges in the indictment are merely allegations, and the defendants are presumed innocent unless and until proven guilty. If convicted, the defendants face a statutory maximum of 30 years’ imprisonment for bank fraud conspiracy and 20 years’ imprisonment for wire fraud conspiracy.

The government’s case is being handled by the Office’s Business and Securities Fraud Section. Assistant United States Attorneys Whitman G.S. Knapp and Elizabeth Losey Macchiaverna are in charge of the prosecution.

The Defendants:

EDWARD E. BOHM

Age: 39

Residence: Nissequogue, New York

EDWARD J. SYPHER, JR.

Age: 40

Residence: Scarsdale, New York

MATTHEW T. VOSS

Age: 42

Residence: Northport, New York

E.D.N.Y. Docket No. 17-MJ-742