

UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA

**Criminal Number:**  
**VIOLATIONS:**

v.

18 U.S.C. § 371 (Conspiracy)  
18 U.S.C. § 1014 (Fraud in Loan and Credit  
Applications)  
18 U.S.C. § 2 (Aiding and Abetting)  
18 U.S.C. §1343 (Mail Fraud)

JOSEPH KRIZ

**INFORMATION**

The United States Attorney charges:

**COUNT ONE**  
(Conspiracy to Commit Bank Fraud)

**The Defendant**

1. At all times relevant to this Information, defendant **JOSEPH KRIZ**: (a) was a resident of Wilton, Connecticut; (b) practiced as a real estate attorney in Westport Connecticut; (c) was a mortgage broker in the State of Connecticut; and (d) was a principal of Aspetuck Building & Development, LLC.

2. At all times relevant to this Information, defendant **JOSEPH KRIZ**, for the benefit of himself and his coconspirators: (a) retained the mortgage payoff payments of his clients by falsely representing to them that **KRIZ** had paid off the mortgages; and (b) falsified loan applications by altering existing documents and falsifying income information contained in the loan applications.

**The Coconspirators**

3. **KRIZ's** coconspirators included persons with whom he did business, a straw purchaser, a mortgage broker, and a property appraiser.

### The Conspiracy and its Objects

4. From in or about January 2005 through in or about March 2008, in the District of Connecticut and elsewhere, the defendant **JOSEPH KRIZ**, did knowingly and willfully combine, conspire, confederate and agree with others to commit an offense against the United States as follows:

- (a) participate and engage in a scheme and artifice to defraud federally insured financial institutions, and to obtain any of the moneys owned by and under the custody and control of a financial institution by means of materially false and fraudulent pretenses, representations and promises, as more fully set forth below, contrary to 18 U.S.C. §§ 1344, 1346; and
- (b) devise a scheme and artifice to defraud real estate sellers, individuals who sought to refinance existing mortgages on property they owned, and title companies by means of materially false pretenses, representations, and promises, and to utilize the United States mails, private and commercial interstate carriers, and interstate wire communications for the purpose of executing that scheme and artifice, contrary to Title 18, United States Code, Sections 1341 and 1343.

### The Goals of the Conspiracy

5. The goal of the conspiracy was to run an illegal business for profit in order to enrich the coconspirators. **JOSEPH KRIZ** and others entered into a business arrangement to use funds obtained by fraud to pay for the development of various properties owned by the coconspirators in order to sell the properties, once developed, for substantial profit. It was part of the conspiracy that the coconspirators defrauded federally insured financial institutions, title companies, money lenders, clients and relatives of the coconspirators

### Manner and Means of the Conspiracy

6. It was part of the conspiracy that defendant **KRIZ** falsely represented that he would safeguard the funds of his clients who were either refinancing or selling their homes, when in fact he intended to and did convert the funds for his own and his coconspirators' use.

7. It was further part of the conspiracy that **KRIZ** and his coconspirators altered and created false records and documents in order to obtain financing, which far exceeded the value of the property underlying the financing.

### OVERT ACTS

8. In furtherance of the conspiracy and to accomplish its objectives, the defendant **JOSEPH KRIZ**, and his coconspirators, performed and caused to be performed, in the District of Connecticut and elsewhere, the following overt acts, among others.

9. In February 2005, **KRIZ** and his coconspirators, fraudulently obtained financing on 35 Prospect Street, Westport, by: (a) causing money not owned by a straw purchaser to be placed in his bank account; (b) providing false documentation that made it appear that the straw purchaser had a grossly inflated income; (c) altering documents to falsely demonstrate that the property was the straw purchaser's primary residence; and (d) overstating the square-footage of the property to obtain a higher appraisal.

10. In November 2006, **KRIZ** was hired by a man living in Milford to represent him in the refinancing of his home. Rather than use the second mortgage monies to pay off the first mortgage, as he had told the title insurance company he would do, **KRIZ** retained the monies of the second mortgage for his own and his coconspirators' benefit.

11. In October 2007, **KRIZ** was retained by a woman living in Westport to represent her in the sale of her home. After the property was sold, **KRIZ** did not pay off the \$533,000 mortgage on the property, and converted the funds for his own and his coconspirators' benefit.

12. In November 2007, **KRIZ** represented a man living in Darien on the sale of his home. Rather than use the sale proceeds to pay off the existing mortgage as his client had intended, **KRIZ** converted the proceeds and used it for his own and his coconspirators' benefit.

13. In December 2007, **KRIZ** represented a man in Ansonia on the refinancing of his home. Rather than use the second mortgage monies to pay off the first mortgage, as he had told his client he would do, **KRIZ** retained the monies of the second mortgage for his own and his coconspirators' benefit.

14. As a result of the fraudulent conduct set forth in paragraphs 6 through 13 above, **KRIZ** defrauded banks, and his clients, of more than \$8,000,000.

All in violation of Title 18, United States Code, Section 371.

### **COUNT TWO**

(Fraud in Loan and Credit Applications, aiding and abetting)

15. The allegations set forth in Paragraphs 1 through 3 and 5 through 14 of this Information are hereby realleged and incorporated as though set forth fully herein.

16. In or about October 2006, in the District of Connecticut, defendant **JOSEPH KRIZ** knowingly made a material false statement and report and willfully overvalued land, property, and security for the purpose of influencing the action of IndyMac Bank, an institution the accounts of which are insured by Federal Deposit Insurance Corporation, in connection with an application for a loan, to wit, a mortgage for the residence located at 35 Prospect Avenue in Westport, Connecticut.

In violation of Title 18, United States Code, Sections 1014 and 2.

**COUNT THREE**

(Mail Fraud)

17. The allegations set forth in Paragraphs 1 through 3 and 5 through 14 of this Information are hereby realleged and incorporated as though set forth fully herein.

18. From in or about November 2006 through in or about February 2008, in the District of Connecticut, defendant **JOSEPH KRIZ** the defendant herein, knowingly and willfully and with intent to defraud devised and intended to devise a scheme and artifice to defraud First American Title Insurance Company by mail and to obtain money from First American Title Insurance Company by means of materially false and fraudulent pretenses, representations and promises which scheme and artifice is in substance as set forth in paragraphs 6 through 14 of Count One of this Indictment.

**The Execution of the Scheme and Artifice**

19. In or about November 2006, for the purpose of executing the above scheme and artifice and attempting to do so, at Wilton, **KRIZ** caused to be deposited to be sent and delivered by the United States Postal Service a title insurance policy to First American Title Insurance Company that represented that in the refinancing of a Milford home, the refinancing mortgage was the primary lien on the property. In fact, **KRIZ**, failed to pay off the first mortgage, which, therefore, remained the primary lien. **KRIZ** did not use the refinancing mortgage proceeds to

pay off in full the original mortgage on the property. In fact, **KRIZ** retained the monies of the second mortgage for his own and others' benefit

In violation of Title 18, United States Code, Section 1343.

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NORA R. DANNEHY  
ACTING UNITED STATES ATTORNEY

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ALINA REYNOLDS  
SUPERVISOR, BRIDGEPORT OFFICE

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RAHUL KALE  
ASSISTANT U.S. ATTORNEY