

### The Justice Department's Double Game with Banks

The government has prosecuted thousands of citizens for so-called mortgage fraud offenses, claiming the property sellers, loan officers or real estate agents tricked banks into making loans that did not meet the bank's lending guidelines. But, wait! The very same properties at issue in these prosecutions are also involved in cases where banks have admitted knowingly making loans that didn't meet the bank's lending guidelines. American citizens have been ordered to pay restitution to the banks, who the government says are innocent victims of fraud schemes. But, once again, the exact same properties that are subject to restitution orders where the bank is an innocent victim are also involved in lender settlements where banks have admitted engaging in fraud and paid the owners of the mortgages.

In order to bring this double game to the public's attention, and to have unlawful convictions overturned, the attached law suit has been filed in Federal Court. Please read our complaint and the attachments and see for yourself how the Justice Department is abusing its power, incarcerating innocent people and allowing banks to pay money to buy themselves out of criminal liability.

Cat03,Parker

**U.S. District Court  
Northern District of Ohio (Cleveland)  
CIVIL DOCKET FOR CASE #: 1:17-cv-00827-DCN**

Viola v. Bair et al  
Assigned to: Judge Donald C. Nugent  
Case in other court: New York Eastern, 1:17-cv-01741  
Cause: 42:1983 Prisoner Civil Rights

Date Filed: 04/18/2017  
Jury Demand: Plaintiff  
Nature of Suit: 550 Prisoner: Civil  
Rights  
Jurisdiction: Federal Question

**Plaintiff**

**Anthony L Viola**

represented by **Anthony L Viola**  
#32238-160  
FCI McKean  
Federal Correctional Institution  
P.O. Box 8000  
Bradford, PA 16701  
Email:  
PRO SE

V.

**Defendant**

**William J. Bair**  
*Deputy Assoc. Attorney General*

**Defendant**

**Mark S. Bennett**  
*Assistant US Attorney*

**Defendant**

**Preci Bharara**  
*US Attorney*

**Defendant**

**Leslie R. Caldwell**

**Defendant**

**Eric Holder**

**Defendant**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

ANTHONY L. VIOLA ID # 32238-160 )  
McKean Federal Correctional Institution )  
P.O. Box 8000 - Unit E )  
Bradford, Pa. 16701 )  
(814) 362-8900, )

Plaintiff )

-vs.- )

WILLIAM J. BAIR )  
Deputy Associate Attorney General )  
U.S. Department of Justice )  
950 Pennsylvania Avenue, NW )  
Washington, DC 20530 )  
(202) 514-9500 )

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Partner, Covington & Burling )  
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DANIEL KASARIS )  
Senior Assistant Ohio Attorney General )  
615 Superior Avenue - 11th Floor )  
Cleveland, Ohio 44113 )  
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CIVIL RIGHTS COMPLAINT

42 U.S.C. § 1983

JURY DEMAND ENCLOSED HEREIN

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 )  
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INTRODUCTION

Plaintiff was indicted three times and tried twice -- once in federal court and once in state court -- on identical charges by a joint federal-state Mortgage Fraud Task Force on allegations that the Plaintiff duped lenders including Deutsche Bank into making 'no money down' mortgage loans that did not meet the lender's guidelines, USA v. Viola, Case No. 08-cr-506, N.D. Ohio, Indictment pages 4-6, Docket No. 54. The Justice Department and corporate representatives from banks told jurors that all loans "would have to satisfy the lender's guidelines before any money was distributed," and that any loans obtained outside of the lenders' underwriting guidelines were "fraudulently obtained," Page 15, Government Statement of Facts, Case No. 12-3112, Sixth Circuit, and trial transcript pages 8, 18, 35, 441, 1521, 1671, 1811, 2829-31, 3241 and 3417.

Prior to the federal trial, prosecutors possessed evidence confirming that banks portrayed as "victims" of a wire fraud scheme had, in fact, knowingly and in writing, waived key lending conditions and sent closing instructions to title agencies that authorized -- in writing -- 'no money down, cash back' mortgage loans. That evidence, including an FBI 302 interview summary with a lender executive, was not produced before the first trial. As a result, the Plaintiff was convicted. At sentencing, the Plaintiff informed the District Court of his actual innocence but the Plaintiff was sentenced to 12½ years (twelve and a half years) in jail and ordered to pay restitution to multiple lenders. Deutsche Bank and its MortgageIT subsidiary were the alleged victims and are currently receiving restitution on the following properties:

COUNT 18 -- 686 East 130th Street, Cleveland, Ohio;

COUNT 19 -- 9905 Elizabeth Avenue, Cleveland, Ohio;

COUNT 20 -- 9013 Laisy Avenue, Cleveland, Ohio

COUNT 36 -- 3439 East 71st Street, Cleveland, Ohio

See Indictment, Docket No. 54 and Restitution Order, Docket No. 427, 5/30/13.

Prior to the federal trial, after the Plaintiff refused to plead guilty to any charges, Assistant U.S. Attorney Mark Bennett and Senior Assistant Ohio Attorney General Daniel Kasaris, operating through the joint task force, directed their Office Manager, Ms. Dawn Pasela, to befriend the Plaintiff and secretly record a series of post-indictment conversations with the Plaintiff so prosecutors could gain insight into defense trial tactics and strategies. After the first trial but prior to the federal sentencing, and prior to the second trial, Ms. Pasela contacted the Plaintiff, provided evidence that prosecutors suppressed prior to the first trial, and offered to testify at the second trial about prosecutorial misconduct inside the Task Force and inside the U.S. Attorney's Office. Utilizing the government's own evidence to destroy their case, the Plaintiff proved actual innocence following a six week jury trial, despite being a federal prisoner appearing Pro Se in court, State of Ohio v. Tony Viola, Case No. CR-10-536877 and CR-10-543886. A comparison between the indictments confirms that the same properties and same charged conduct were at issue in both trials, Docket No. 445, Attachment # 7, USA v. Viola, and both cases were prosecuted by the same prosecution team.

In January, 2017, Deutsche Bank and the Department of Justice reached a \$7.2 billion settlement in which Deutsche Bank admitted that it knowingly made 'no money down, cash out' mortgage loans that did not meet the bank's lending guidelines but made those loans regardless. The Bank also admitted knowingly making loans that contained fraudulent representations, loans when files were missing material documents and loans to borrowers

that the bank knew could not afford the loans in question. According to the Statement of Facts, available on www.Doj.gov,

Deutsche Bank knew, based on the results of due diligence, that significant numbers of loans did not meet those underwriting guidelines and were underwritten to borrowers who would not likely have the ability to repay their loans, page 3.

Deutsche Bank knew that it was securitizing loans originated by MortgageIT that did not meet its representations to investors ... MortgageIT loans were often underwritten to borrowers with unreasonable stated incomes who did not have the ability to repay their mortgages, pages 64-65.

In addition to the \$7.2 billion settlement between Deutsche Bank and MortgageIT, multiple Residential Mortgage Backed Securities litigation confirmed that the bank (a) knowingly made loans that did not meet its underwriting guidelines and lied about that practice; and (2) the bank paid its bondholders to make them whole. Both civil and criminal litigation involving Deutsche bank also involves the very same properties at issue in the USA v. Viola prosecution. In State of Ohio v. Karen Harris, et. al., the very same joint task force that accused the Plaintiff of tricking banks into making mortgage loans that did not meet its underwriting guidelines prosecuted lender executives, accusing those individuals of knowingly making mortgage loans that they knew did not meet the bank's lending guidelines and lying about that practice, indictment pages 5-11 and, for example, Count ten -- 9013 Laisy Avenue, Case No. 551555.

The Justice Department has been playing a double game with Deutsche Bank and MortgageIT for many years -- going into one courtroom and informing jurors the bank is an innocent victim of mortgage fraud schemes, requiring the imprisonment of real estate investors, appraisers, loan officers and property sellers. In other courtrooms, often at the same time, the Justice Department extracts large financial penalties from the bank while arguing that the bank knowingly made mortgage loans that did not meet the bank's lending guidelines. The same month the Plaintiff was on trial for duping Deutsche Bank into making mortgage loans that did not meet the bank's lending guidelines, the U.S. Attorney in New York filed Civil action 11-civ-2976, that stated:

Deutsche Bank and MortgageIT repeatedly lied ... [and] recklessly selected mortgages that violated program rules in blatant disregard of whether borrowers could make mortgage payments, Complaint at Page 1.

Jurors in USA v. Viola also were not told that

Deutsche Bank and MortgageIT repeatedly lied to HUD ... their violations of HUD rules were egregious, Complaint at page 4.

Disfunctions ... were reported to upper management ... MortgageIT deceived HUD by falsely promising HUD that it corrected failures, Complaint at pages 4-5.

Deutsche Bank has no compunction about taking wholly contrary positions concerning the materiality of its underwriting guidelines. Often, the bank works with federal and state prosecutors to imprison American citizens. In mortgage frauds prosecution, the bank tells jurors and prosecutors that it faithfully follows its underwriting guidelines and only makes loans that meet those guidelines. Loans outside those guidelines were obtained through fraudulent means and Deutsche Bank is, therefore, an innocent victim of a scheme to dupe the bank into making loans outside its underwriting guidelines. In USA v. Viola, Deutsche Bank portrayed itself as the victim of material misrepresentations, causing the bank to make mortgage loans that did not meet its underwriting guidelines, entitling the bank to restitution since it was deprived of money or property in a wire fraud case. But, the bank quickly shifts positions concerning the materiality of its underwriting guidelines when it is expedient to do so. Dozens of trustees for holders of Residential Mortgage Backed Securities sued Deutsche Bank, claiming the bank knowingly approved loans that did not meet the bank's underwriting guidelines then lied about that practice. In those cases, the bank took a wholly opposite position: that its underwriting guidelines were not material to the lending decision, that routine exceptions were made to those guidelines and that the bank was not obligated to follow the guidelines in any event, Deutsche Bank Alt-A Securities Mortgage Loan Trust, Series 2006-OA1, HSBC, Trustee v. DB Structured Products, Inc., 2013 U.S. Dist. LEXIS 104417, 12 civ 8594 (RWS), S.D. NY, 2013; In Re Residential Capital, LLC., debtor; Sealink Funding, Ltd., v. Deutsche Bank, 489 BR 36; 2013 Bankr. LEXIS 1048; Collier Bankr. Cas. 2d (MB), Case No. 12-12020, SD NY (MG).

This litigation argues that the Justice Department is engaging in unconstitutional actions by creating a two-tiered system of justice in America, where powerful banks are allowed to escape criminal prosecution and buy their way out of criminal liability and secondly, banks are allowed to offer false testimony at mortgage fraud trials and unlawfully collect restitution from indigent federal prisoners even though the bank has admitted its guilt and paid restitution to bondholders. By pursuing multiple theories of criminality concerning the exact same properties, the Department of Justice is violating the due process clause of the Constitution. In order to "win" these mortgage fraud cases, the government hides key evidence and commits misconduct, more fully described herein. This litigation also brings to the attention of the Court that restitution orders throughout America are unlawful. There is no proper accounting mechanism in these multi-billion dollar lender settlements to track individual properties that are involved in both these multi-billion dollar settlements and are included in restitution orders in criminal prosecutions. Moreover, under the restitution statutes, entities cannot be both victims and perpetrators at the same time and concerning the exact same properties. Finally, kindly note that the Department of Justice possesses evidence that prior mortgage fraud prosecutions are fatally flawed but cannot bring itself to do the right thing and correct

this obvious injustice. Therefore, this matter is being brought to the attention of This Most Honorable Court for its review. Also submitted along with this complaint is a **Motion for Appointment of Counsel** so that the matter can be properly presented to the Court by an attorney who is better able to submit this claim, which affects many other citizens. A **Motion for Temporary Restraining Order** is also being submitted and the Plaintiff is requesting an order to prevent Deutsche Bank from collecting any further restitution as a "victim" of mortgage fraud schemes, given the admissions made by the Bank in the January, 2017 settlement and Statement of Facts.

#### JURISDICTION AND VENUE

1. This Honorable Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331 since the controversy in question involves the Constitution of the United States.
2. The diversity of citizenship between the parties in this litigation also confers jurisdiction on this Honorable Court, 28 U.S.C. § 1332.
3. The \$7.2 billion settlement between the Department of Justice and Deutsche Bank states that THE United States District Court for the Eastern District of New York has "exclusive jurisdiction" over the settlement, page 7, settlement agreement.

#### PARTIES

4. Plaintiff, Anthony L. Viola, is currently housed at the McKean Federal Correctional Institution, prisoner ID #: 32238-160, P.O. Box 8000, Unit E, Bradford, Pa. 16701. The continued imprisonment by the Justice Department of an American citizen who affirmatively proved actual innocence at a second trial has caused friends and supporters to establish a web site to highlight this obvious injustice: [www.FreeTonyViola.com](http://www.FreeTonyViola.com). We want to alert the public at large that the Department of Justice engages in unlawful "win at all costs" litigation to imprison innocent citizens while also administering a two-tiered system of justice, where banks are allowed to buy their way out of criminal liability and offer false testimony in federal court -- and even collect restitution when doing so is contrary to the restitution statutes.
5. The following defendants executed the January 17, 2017 Settlement Agreement between the Department of Justice and Deutsche Bank: William J. Baer, Christof von Dryander, Dr. Mathias Otto, Richard Owens, and Douglas K. Johnson.
6. Assistant U.S. Attorney Mark Bennett and Senior Assistant Ohio Attorney General Daniel Kasaris prosecuted the Plaintiff through a joint federal-state Mortgage Fraud Task Force that also utilized the same properties at issue in USA v. Viola to pursue an alternate theory of criminality in State of Ohio v. Karen Harris.
7. Preet Bharara was the United States Attorney for the Southern District of New York



while his office prosecuted Deutsche Bank for civil fraud, United States v. Deutsche Bank, et. al., 11-civ-2976 (LAK); S.D. NY, alleging that Deutsche Bank knowingly made mortgage loans the bank knew did not meet its lending guidelines then lied about that practice. At the exact same time, in USA v. Viola, the Plaintiff was being prosecuted by the government for tricking Deutsche Bank into making mortgage loans that didn't meet the bank's lending guidelines.

8. Leslie R. Caldwell headed the criminal division of the Justice Department and oversaw these multi-billion dollar lender settlements. Ms. Caldwell allowed banks to settle criminal claims by paying money to buy their way out of jail while refusing to release details about these lender settlements or make public documents that could be used by criminal defendants in mortgage fraud prosecutions.

9. Eric Holder, Attorney General of the United States, allowed employees in the Department of Justice to pursue multiple theories of criminality concerning the exact same properties while failing to implement any accounting mechanisms to make sure that restitution orders were lawful following the completion of these multi-billion dollar lending settlements.

10. Defendant Deutsche Bank has admitted knowingly making mortgage loans that did not meet its lending guidelines and is unlawfully collecting restitution on properties the bank has paid holders of its mortgage backed securities because the bank admitted engaging in fraudulent conduct.

11. Defendants Mark Bennett, Kathryn Clover and Daniel Kasaris are federal agents, working together through the joint federal-state Mortgage Fraud Task Force.

#### STATEMENT OF FACTS

12. In December, 2008, Assistant U.S. Attorney Mark Bennett orchestrated a "raid" of several real estate and mortgage business in Greater Cleveland. The raid on the Plaintiff's company was televised live as 'breaking news' which was followed by a press conference featuring AUSA Bennett and County Prosecutor Dan Kasaris, who alleged the Plaintiff orchestrated a massive mortgage fraud scheme through ownership and control of various mortgage and title businesses.

13. The government was unaware of which businesses the Plaintiff owned and the federal indictment incorrectly states the Plaintiff owned business, including Transcontinental Lending, that the Plaintiff did not own, operate, work for or receive money from.

14. Plaintiff informed the news media the government's case was based on incorrect information and requested a dismissal of all charges and a public apology.

15. Our defense at any trial was simple: show the Plaintiff never had any involvement of any kind with companies the government said the Plaintiff owned. As we were retaining

experts in forensic accounting to testify that the Plaintiff never received any money nor was the Plaintiff an owner in companies said to be involved in fraudulent activities, prosecutors Bennett and Kasaris announced that the government "lost" computers, Exhibit One. The Justice Department used the structure on an unaccountable joint task force to shift exculpatory evidence between jurisdictions and locations to hide it from the defense, Exhibit 2.

16. Prior to the first trial in federal court, Prosecutors Bennett and Kasaris met with lender executives, and obtained documents from lenders including Deutsche Bank, confirming that banks knowingly and in writing approved the very 'no money down' mortgage loans the government was claiming the Plaintiff duped banks into making. In one meeting, Kathryn Clover, a co-defendant and government informant, created spreadsheets with lender executives that found conditions were frequently waived and that some loans were "NINA" loans, or 'no income, no document' loans that banks approved without regard to a borrower's income or assets. Before trial, however, prosecutors Bennett and Kasaris -- in writing -- falsely claimed that they did not possess the FBI 302 interview summary with lender executive Steve Newcombe or other key documents, Exhibit 3.

17. In order to gain insight into the defense's trial strategies and preparation, Prosecutors Bennett and Kasaris, with the knowledge of and information from Kathryn Clover, directed the Mortgage Fraud Task Force's Office Manager Dawn Pasela to befriend the Plaintiff and secretly record a series of conversations about trial preparation. Ms. Pasela attended legal strategy sessions and fundraisers for the Plaintiff's Legal Defense Fund and was given funds by the government to donate towards the Plaintiff's legal fees, one example attached as Exhibit 4.

18. AUSA Mark Bennett used information from Ms. Pasela's recordings to obtain an ex parte court order, Docket # 101, USA v. Viola, preventing the Plaintiff from speaking with key witnesses.

19. Prior to the federal trial, the government used Ms. Pasela's cancelled checks from contributions toward legal defense to identify the defense fund's bank account and also identify contributors and supporters. FBI Agent Jeff Kassouf then informed these individuals, including Brian Stark, that further support for the Plaintiff could result in their indictment.

20. So-called "state investigators" assigned to the joint task force were used as a witness screening mechanism -- exculpatory evidence was buried in "state discovery" and not sent to the U.S. Attorney's Office -- so that key witness interviews with 6 witnesses who testified at the second trial for the defense were never produced prior to the federal trial. Meanwhile, the government possessed confirmation that banks authorized -- in writing and before closing -- the very 'no money down, cash back' mortgage loans the

government told jurors the Plaintiff duped banks into making, Exhibit 5. The Plaintiff was convicted in federal court but informed the sentencing judge of his actual innocence at sentencing -- resulting in an 'above the guidelines' jail sentence of 12½ years.

21. After the federal jury verdict but before the federal sentencing, Ms. Pasela contacted the undersigned and admitted wearing a wire and playing those conversations for Prosecutors Kasaris and Bennett. As the Office Manager of the Task Force, Ms. Pasela also maintained the evidence log and was in the chain of custody of all evidence. She described how computers that were "lost" were actually re-labeled as part of an older investigation and destroyed, how her name was forged on the evidence logs and how the Task Force segregated evidence concerning the same properties into different "evidence buckets" so the Task Force could pursue multiple theories of prosecution concerning the exact same properties, see Exhibit 6.

22. Ms. Pasela then provided the Plaintiff key evidence prosecutors claimed did not exist, including spreadsheets that Ms. Clover and Mr. Kasaris created during and after meetings with lender executives and the FBI 302 prosecutors said didn't exist, Exhibit 7. These documents were utilized to prove actual innocence at the second trial.

23. After prosecutors realized that their very own Office Manager was on the defense witness list, they threatened Ms. Pasela with "federal prison" unless she left town. The day Ms. Pasela was scheduled to testify as a defense witness, she was found dead in her apartment by her parents, who are assisting the Plaintiff, Pasela family affidavit at Exhibit 8.

24. Tapes made by Ms. Pasela were never provided to the defense before trial so the Plaintiff initiated a Freedom of Information Act Request and, later, FOIA litigation, to obtain secretly made tapes. That litigation, Viola v. Department of Justice, Case No. 15-cv-242, Western District of Pennsylvania, seeks information about Kathryn Clover's role in the prosecution of the Plaintiff. Ms. Clover was allowed to testify as a government witness at the second trial after admitting she lied in federal court, then Ms. Clover took the Fifth Amendment. Ms. Clover also received undisclosed payments from Prosecutors Bennett and Kasaris and, at some point, began a romantic relationship with Mr. Kasaris, see documents and statements from multiple sources attached to the amended complaint in the FOIA litigation, Judge Susan Paradise baxter presiding. Judge Baxter has held that tapes made by Ms. Pasela and e mails between Mr. Kasaris and Ms. Clover are public records, subject to release.

25. The Department of Justice has allowed banks it portrayed as innocent victims in USA v. Viola -- including Citibank, JP Morgan and, now, Deutsche Bank -- to pay money to settle criminal matters. As a part of those settlements, however, the "Statement of Facts" that lenders have entered into wholly and completely contradict their testimony at trial, Exhibit 9.

26. Many of the defendants are licensed attorneys and have a duty of Candor Toward the Tribunal, requiring these attorneys to correct false statements made during USA v. Viola, N.Y. Rules of Professional Conduct 3.3(a). Since the Plaintiff's appeal of the denial of his habeas is currently pending before the United States Court of Appeals for the Sixth Circuit, it is "still possible to amend, modify or vacate the prior judgment" and the mandatory duty of disclosure to the tribunal trumps a lawyer's obligation of maintaining client confidentiality, New York Bar Association Formal Opinion 2013-2. As of this date, none of the defendants have fulfilled their duty of Candor Toward the Tribunal.

27. Assistant U.S. Mark Bennett routinely shifts positions concerning key facts at issue in USA v. Viola. When Kathryn Clover sought to have her probation terminated early, Mr. Bennett objected, saying "Clover provided false testimony at the trial," USA v. Clover, Case No. 10-cr-0075, N.D. Ohio, Docket No. 46, pages 2-3. However, in the Plaintiff's \$2255 petition, Ground Five, the government's use of Ms. Clover's perjured testimony, Mr. Bennett argued that Ms. Clover testified truthfully in USA v. Viola, government opposition to Plaintiff's \$2255 petition.

28. FBI Agent Jeff Kassouf listened to tapes made by Ms. Pasela but claims that, since the FBI didn't "task" Ms. Pasela with making those tapes, the FBI is not obligated to produce those tapes, see January, 2017 filing by the Plaintiff in the FOIA litigation in the Western District of Pennsylvania.

29. The federal-state Mortgage Fraud Task Force and the Cuyahoga County Prosecutor's Office have been unable to account for "restitution" made by defendants in mortgage fraud prosecutions. Numerous defendants have paid money to the Clerk of Court but the innocent victims have yet to actually receive any of these funds, Exhibit 10.

30. The ongoing incarceration of a citizen who has proved his innocence, along with readily apparent government misconduct, is the subject of a February, 2017 letter from Judge Daniel Gaul, who presided over the second trial and has given permission to share his letter, Exhibit 11.

31. The foregoing is only a brief summary of the prosecutorial crime spree orchestrated by the United States Attorney's Office in Cleveland. For additional details, kindly review the "Statement of Facts" in case no 14-3348, USA v. Viola, United States Court of Appeals for the Sixth Circuit, including attachments.

#### CLAIM FOR RELIEF

#### VIOLATION OF THE 5th AND 14th AMENDMENT RIGHT TO DUE PROCESS OF LAW

32. Plaintiff realleges and incorporates by reference each and every statement made and all of the allegations set forth in Paragraphs 1 - 31 of this complaint.

33. The Plaintiff — and other similarly situated citizens — are suffering and will

continue to suffer from the denial of the Constitutional Right to Due Process of Law because of the "double game" the government is playing with banks in this country.

34. Deutsche Bank and its attorneys and affiliates have joined with the Justice Department in a conspiracy against American citizens. The actions of both Deutsche Bank, the joint federal-state mortgage fraud task force's agents, and the defendants named herein have denied the plaintiff, and others, their constitutional right to a fair trial.

35. Licensed attorneys have failed to alert federal and state courts about lender settlements to insure restitution orders are lawful and they have further failed to withdraw false trial testimony in mortgage fraud prosecutions by lender employees.

36. The Department of Justice possesses proof that the Plaintiff -- and similarly situated individuals -- are innocent but simply doesn't feel like providing that evidence.

#### PRAYER FOR RELIEF

Plaintiff respectfully requests that This Honorable Court issue a declaratory judgment that Deutsche Bank is not a "victim" of any mortgage fraud scheme in USA v. Viola. The Plaintiff also requests that This Honorable Court (a) Issue a temporary restraining order to prohibit Deutsche Bank from collecting restitution in mortgage fraud cases, (b) Refers this matter to the Office of Professional Responsibility for an investigation; (c) Appoint counsel to more effectively present this matter; (d) Order The Justice Department and Deutsche Bank to create a proper accounting mechanism so the bank does not continue to be unjustly enriched by restitution from indigent federal and state prisoners; (e) Declare the \$7.2 settlement between the Justice Department and Deutsche Bank unconstitutional; and (f) Any additional relief deemed equitable.

Under penalty of perjury, I swear and affirm that all statements contained herein are truthful and accurate.

Respectfully Submitted,

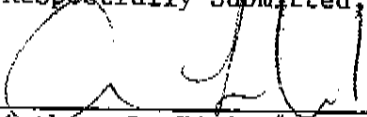
  
Anthony L. Viola # 32238-160  
McKean FCI - P.O. Box 8000  
Bradford, Pa. 16701

Exhibit 1

DIRECTOR OF LAW:  
MAYFIELD HEIGHTS

OF COUNSEL:  
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March 30, 2010

VIA FACSIMILE (216-781-6242) AND REGULAR U.S. MAIL - 3-30-10

Michael Goldberg, Esq.  
Michael J. Goldberg & Associates  
323 Lakeside Avenue, Suite 450  
Cleveland, Ohio 44113

**Re: *United States of America vs. Anthony Capuozzo, et al.*  
*U.S. District Court, Northern District of Ohio, Eastern Division*  
*Case No. 1:10 CR 00075-DCN-2*  
*My Client: Nicholas Myles***

Dear Mr. Goldberg:

This letter is being written pursuant to your request, relative to the captioned matter. I will also notify both the Federal and County Prosecutors that I have no objection to doing so.

From time-to-time during my recent involvement in this case, you and I have discussed the matter of certain documents and computer hardware that had been in my client's possession and then turned over to the Cuyahoga County Prosecutor's Office.

It is my understanding that, in 2006, the County Prosecutor's Office issued a Subpoena to Nicholas Myles, for certain records and computer hardware, relative to his former employer Central National Mortgage. The Subpoena was issued by, or in conjunction with, Assistant County Prosecutor Michael Jackson.

In compliance with the Subpoena, my client (with his wife) delivered several boxes of files and documents, as well as 2 grey Dell desktop computers (hard-drives) to the 9<sup>th</sup> floor of the Justice Center (the Prosecutor's Office) where a representative of Mr. Jackson received those items into his/her custody and control.

It is my understanding that the Subpoena was complied with in its entirety, and in the time since the issuance of the Subpoena no complaint has been made by the County Prosecutor's Office that my client failed to comply with same in any fashion.

It is my understanding now that one or more of the computers in question may have been lost or misplaced within the County Prosecutor's Office. It is also my understanding (secondhand) that Prosecutor Jackson does not deny having received the subpoenaed information and computers, but merely cannot recall it as a result of the passage of time.

It is my understanding that, with the issuance of this letter, you will withdraw your previously issued Subpoenas on this subject.

Very Truly Yours,



LEONARD F. CARR

/cs



Exhibit 2

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/06/2010

On April 6, 2010, at 3:35pm, Special Agent [redacted] accepted a box of documents which were being held at the United States Attorney's Office. The documents were originally provided by [redacted] to Special Agent [redacted] of Alcohol Tobacco and Firearms (ATF).

b6  
b7c

At 4:04 pm, SA [redacted] delivered these documents to the Cuyahoga County Mortgage Fraud Task Force, for scanning and to be turned over for evidence.

b6  
b7

On March 16, 2010, these documents were brought to a meeting held at the United States Attorney's Office. Present at the meeting were SA [redacted] and [redacted] of the ATF, SA [redacted] and Assistant United States Attorney [redacted]. The documents were placed in storage at the conclusion of this meeting.

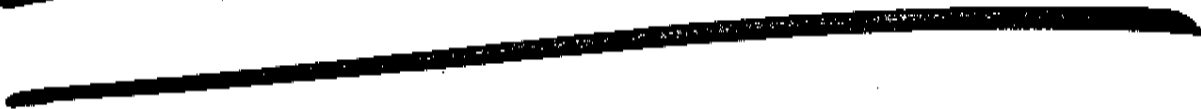
X/HE  
0/10

The documents turned over to the MFTF included [redacted]

b6  
b7c

Investigation on 04/06/2010 at Cleveland, Ohio  
File # 329E-CV-71645-179  
by SA [redacted] Date dictated \_\_\_\_\_


**Exhibit 3**



RE: Newcomb 302 request from Tony Viola

Page 1 of 1

**From:** Bennett, Mark (USAOHN) (USAOHN) <Mark.Bennett2@usdoj.gov>  
**To:** tonytopaz <tonytopaz@aol.com>  
**Cc:** Daniel Kasaris (p4dxk@cuyahogacounty.us) <p4dxk@cuyahogacounty.us>  
**Subject:** RE: Newcomb 302 request from Tony Viola  
**Date:** Sun, Apr 8, 2012 8:45 pm

I have checked the system and do not have a 302 for Mr. Newcombe. I have inquired with the agents and other AUSAs on the case to see if one was created and they can provide. I will not be in the office next week. But they can respond directly to Mr. Kasaris. 

Mark S. Bennett  
Assistant United States Attorney  
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216.622.3878 (direct)  
216.522.2403 (fax)  
[mark.bennett2@usdoj.gov](mailto:mark.bennett2@usdoj.gov)

**From:** [tonytopaz@aol.com](mailto:tonytopaz@aol.com) [<mailto:tonytopaz@aol.com>]  
**Sent:** Sunday, April 08, 2012 6:20 PM  
**To:** Bennett, Mark (USAOHN)  
**Subject:** Re: Newcomb 302 request from Tony Viola

Mr. Kasaris says he does not have Mr. Newcomb's 302, if possible, kindly reforward that, thank you.

Tony

-----Original Message-----

**From:** Bennett, Mark (USAOHN) (USAOHN) <Mark.Bennett2@usdoj.gov>  
**To:** 'tonytopaz@aol.com' <tonytopaz@aol.com>; 'dkasaris@cuyahogacounty.us' <dkasaris@cuyahogacounty.us>  
**Sent:** Sun, Apr 8, 2012 10:31 am  
**Subject:** Re: Newcomb 302 request from Tony Viola

Mr. Viola,

I have provided those to Mr. Kasaris. I am sure he will provide pursuant to local rule and the Court's trial order.

Mark Bennett

**From:** [tonytopaz@aol.com](mailto:tonytopaz@aol.com) [<mailto:tonytopaz@aol.com>]  
**Sent:** Saturday, April 07, 2012 03:47 PM  
**To:** Bennett, Mark (USAOHN); [dkasaris@cuyahogacounty.us](mailto:dkasaris@cuyahogacounty.us) <[dkasaris@cuyahogacounty.us](mailto:dkasaris@cuyahogacounty.us)>  
**Subject:** Newcomb 302 request from Tony Viola

Mr Bennett - I am respectfully requesting that you e mail me a copy of the Argent witness, Mr. Steve Newcomb, his 302 statement summary. He testified on direct exam on Friday and will resume this coming week. Thank you.

Tony Viola

and this was my response to mark.  
I do not have any newcomb 302



dan

Daniel J. Kasaris  
Assistant County Prosecutor  
Cuyahoga County, Ohio  
1200 Ontario ST. 8th Floor  
216-443-7863  
216-698-2270 (fax)

Attached Message

From: Daniel Kasaris <dkasaris@cuyahogacounty.us>  
To: Mark (USAOHN) Bennett <Mark.Bennett2@usdoj.gov>  
Cc: Jeffrey P. (FBI) Kassouf <Jeffrey.Kassouf@ic.fbi.gov>; John (USAOHN) Siegel <John.Siegel@usdoj.gov>  
Subject: Re: Viola - 302s of lender, Rich and Calo  
Date: Sun, 08 Apr 2012 12:56:04 -0400

mark  
this is what you sent  
I do not have a 302 for steve newcomb  
thx  
dan

Daniel J. Kasaris  
Assistant County Prosecutor  
Cuyahoga County, Ohio  
1200 Ontario ST. 9th Floor  
216-443-7863  
216-698-2270 (fax)

>>> "Bennett, Mark (USAOHN)" <Mark.Bennett2@usdoj.gov> 2/29/2012 5:25 PM >>>  
Dan,

I have not found the interview of Steve Newcomb from Argent, but you probably already have that one. In addition, please be advised that we have put all of our trial exhibits on a disk and will send that disk, along with the Colley disk out tomorrow.

Thanks,  
Mark

P.S. I also included a summary of our interview of Viola. I also have his typed letter to me with all of the attachments from: early on where he admitted to the fact he should have realized these deals were questionable. Let me know if you want that.

Mark S. Bennett  
Assistant United States Attorney  
801 W. Superior Ave., Suite 400  
Cleveland, Ohio 44113  
216.622.3878 (direct)  
216.522.2403 (fax)  
[mark.bennett2@usdoj.gov](mailto:mark.bennett2@usdoj.gov)

# Exhibit 4



DAWN M. PASELA 06-05  
1520 CLEARBROOKE DR., UNIT 103  
BRUNSWICK, OH 44212

25-3071  
440  
700161631

1.47

c/o Mr. Norman Star ~~DATE~~ 11-17-09

PAY TO THE  
ORDER OF

Toby Vision Deaf Fund

\$ 25.00

Twenty Five Dollars

DOLLARS

**CHASE**

JPMorgan Chase Bank, N.A.  
Columbus, Ohio 43277  
www.Chase.com

MEMO

Vision Deaf Fund

*[Signature]*

MP



# Exhibit 5





UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

ANTHONY L. VIOLA ID # 32238-160  
McKean Federal Correctional Institution  
P.O. Box 8000 - Unit E  
Bradford, Pa. 16701  
(814) 362-8900,

Plaintiff

-vs.-

WILLIAM J. BAIR  
Deputy Associate Attorney General  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530  
(202) 514-9500

MARK S. BENNETT  
Assistant U.S. Attorney  
Northern District of Ohio  
801 West Superior Avenue  
Suite 400  
Cleveland, Ohio 44113  
(216) 622-3878

PREET BHARARA  
U.S. Attorney  
Southern District of New York  
86 Chambers Street - 3rd Floor  
New York, New York 10007  
(212) 637-2777

LESLIE R. CALDWELL  
Criminal Division  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530

ERIC HOLDER  
Partner, Covington & Burling  
620 8th Avenue  
New York, New York 10018-1405

DANIEL KASARIS  
Senior Assistant Ohio Attorney General  
615 Superior Avenue - 11th Floor  
Cleveland, Ohio 44113  
(614) 466-4320

CIVIL RIGHTS COMPLAINT

42 U.S.C. § 1983

JURY DEMAND ENCLOSED HEREIN

# Exhibit 6





or more, contrary to the form of the statute in such case made and provided and against the peace and dignity of the State of Ohio.

**COUNT TEN: THEFT R.C. 2913.02 (A)(3) (complicity)**

**DEFENDANTS: LINDA WARNER**

**JANUARY 4, 2005 TO SEPTEMBER 2005**

The Grand Jurors, on their oaths, further find that the Defendant(s) unlawfully and knowingly and by deception obtained or exerted control over money, with the purpose to deprive the owner, Mortgageit, its successors or assigns, of said property or services. The value of said property or services being \$100,000 or more but less than \$500,000.00, contrary to the form of the statute in such case made and provided and against the peace and dignity of the State of Ohio.

**COUNT ELEVEN- TAMPERING WITH RECORDS R.C. 2913.42**

**DEFENDANTS: LINDA WARNER**

**DATE OF OFFENSE: AUGUST 29, 2005**

**9013 Laisy**

The Grand Jurors, on their oaths, further find that the Defendant(s) unlawfully and knowing they had no privilege to do so and with the purpose to defraud or with knowledge that they were facilitating a fraud did falsify a writing, computer software, data, or record, to-wit: appraisal The value of the data involved in the offense or the loss to the victim was \$100,000.00 or more, contrary to the form of the statute in such case made and provided and against the peace and dignity of the State of Ohio.

**COUNT TWELVE: TAMPERING WITH RECORDS R.C. 2913.42**

**DEFENDANTS: LINDA WARNER**

**DATE OF OFFENSE: AUGUST -SEPTEMBER 2005**

**9095 ELIZABETH**

The Grand Jurors, on their oaths, further find that the Defendant(s) unlawfully and knowing they had no privilege to do so and with the purpose to defraud or with knowledge that they were facilitating a fraud did falsify a writing, computer software, data, or record, to-wit: appraisal The value of the data involved in the offense or the loss to the victim was \$100,000.00 or more, contrary to the form of the statute in such case made and provided and against the peace and dignity of the State of Ohio.

**COUNT THIRTEEN TAMPERING WITH RECORDS R.C. 2913.42**

**DEFENDANTS: LINDA WARNER**

**DATE OF OFFENSE: AUGUST 1, 2005**

**1591 BILTMORE**

The Grand Jurors, on their oaths, further find that the Defendant(s) unlawfully and knowing they had no privilege to do so and with the purpose to defraud or with knowledge that they were facilitating a fraud did falsify a writing, computer software, data, or record, to-wit: appraisal The value of the data involved in the offense or the loss to the victim was \$100,000.00 or more, contrary to the form of the statute in such case made and provided and against the peace and dignity of the State of Ohio.

**Cuyahoga County Court of Common Pleas  
Criminal Court Division**

State of Ohio,  Plaintiff  VS.  Angela M. Pasternak  Alveno Parker,  Defendants		A True Bill Indictment For  <b>Engaging In A Pattern Of Corrupt Activity - F1          §2923.32(A)(1)</b>  19 Additional Count(s), Theft, Tampering with Records, Money Laundering and Receiving Stolen Property.
<b>Dates of Offense (on or about)</b> 10/01/2004 to 11/30/2006	<b>The Term Of</b> September of 2011	<b>Case Number</b> 556307-11-CR

The State of Ohio,  
Cuyahoga County

} SS.

CR11556307-A

71205736



<b>Count 1</b>	<b>Engaging In A Pattern Of Corrupt Activity - F1 §2923.32(A)(1)</b>
<b>Defendants</b>	Angela M. Pasternak, Alveno Parker
<b>Date of Offense</b>	On or about November 1, 2004 to November 30, 2006

*The Jurors of the Grand Jury of the State of Ohio, within and for the body of the County aforesaid, on their oaths, IN THE NAME AND BY THE AUTHORITY OF THE STATE OF OHIO, do find and present, that the above named Defendant(s), on or about the date of the offense set forth above, in the County of Cuyahoga, unlawfully*

while being employed by or associated with any Enterprise did knowingly conduct and/or participate in directly or indirectly the affairs of the Enterprise through a pattern of corrupt activity as follows:

**THE ENTERPRISE**

The Enterprise is an association and/or organization and/or a group of persons associated in fact, although not a legal entity, including but not limited to each of the above named Defendants, and other known and/or unknown persons, all of whom are persons associated with the Enterprise (collectively, "Persons Associated with the Enterprise" or "Persons"). The persons Associated with the Enterprise performed, from time to time, some lawful acts while working for entities connected with the Enterprise, and as a result this Enterprise existed separate and apart from the pattern of corrupt activity described in this Indictment. However, these persons also performed illegal acts as part of and in furtherance their association with this Enterprise, as stated in this indictment, and as a result this Enterprise is considered an illicit Enterprise under R.C. Section 2932.31 and 2923.32, whether or not this Enterprise existed separate and apart from the pattern of corrupt activity described in this indictment. As a result of either one of these two situations, this Enterprise functioned as a continuing unit, even though it engaged in the diverse forms of illegal activities as described in this Indictment. A more detailed description of the Enterprise is stated in below.

RECEIVED FOR FILING

NOV 15 2011

Foreperson of the Grand Jury

Prosecuting Attorney

Century, Argent, BNC and New Century later sold the note or mortgage/securities to investors. Individuals working at these lenders were aware that loans made were being bundled together and sold to investors. Each of these Borrowers with the assistance of Crossland Financial Group and its employees or Agents namely David Lasalla, and Mitch Jones: New Century, BNC and/or employees, agents or independent contractors of Argent, namely Angela Pasternak, submitted signed false and fraudulent loan applications to Argent's processing center located in Illinois, or New Century or BNC processing centers so that the borrower could purchase real estate in Cuyahoga, Summit, Lake, and Franklin County and other counties within the State of Ohio. In these various loan applications, Crossland Financial, its' employees, agents, loan officers or person acting as a Mortgage Broker, Assured Builders or Expert Renovators, or purported agents or independent contractors of the same acting as home improvement contractors, and account managers from Argent or other representatives from Argent misstated one or more of the following: **the amount of income, the source of the income, place of income, methods of producing employment, credit reports, and/or other basic and fundamental financial information regarding their financial condition, in order to gain approval for the loan amounts requested in these applications.** Mortgage brokers, or loan officers and employees or agents of Assured Builders and/or Expert Renovators signed these loan applications with the knowledge that this information was required to be true when in fact these applications were false. The mortgage brokers, loan officers or agents thereof or Assured Builders or Expert Renovators or agents thereof, submitted these applications with the knowledge this information was false or that the loan application was submitted to deceive the lenders into approving these loans.

## 2. FALSE SUPPORTING DOCUMENTATION

To support a loan application Lenders require many types of verifications. Verifications of employment, verifications of mortgage/rent, verification of income and Credit Checks. Within the scope and in furtherance of this criminal enterprise Mitch Jones applying the skills taught to him by Ron Dudas or others manipulated the credit scores of borrowers by changing the scores so that the Lender's Guidelines would appear to have been met so that a loan would be approved. Account Managers within the scope of this enterprise knew that the credit scores were altered by Mitch Jones and permitted the scores to be used in the loan process so that the lender would fund the loan. David Lasalla knew that Mitch Jones was altering credit scores or encouraged or permitted the same. Angela Pasternak and Josh Keiffer also know that the credit scores were being altered but accepted credit scores and passed them on as if true.

To further the enterprise to ensure that loans were made by Argent or New Century an Account Manager instructed Mitch Jones and/or David Lasalla to create what were called Letters of Explanation for the purpose of cash out, to explain excess credit checks and derogatory credit lines. The Letters were generic form letters which in some instances bore no relation to reality and in fact often time conflicted with reality as stated on the Credit Report.

To Further the enterprise and in further furtherance of its affairs Dave Lasalla, or Mitch Jones with the knowledge of Angela Pasternak, and or Josh Keiffer the aforesaid Account Managers at Argent and New Century respectively, who are described above created or had created fake verification of employment for borrowers such as Alveno Parker and others purporting that said person worked for Assured Builders or other companies affiliated with Lasalla or Crossland financial when in fact the borrower did not work for any one of these companies. This verification was then passed on to Angela Pasternak who also knew that the



Foreperson of the Grand Jury



Prosecuting Attorney

verification was false. She intern processed the verification as if they or it was true so that the loan could be approved by Argent.

To further the enterprise Angela Pasternak, and Josh Keiffer working for Argent and New Century, encouraged the submission of the false information or assisted in the creation of the false information, or knew that the false information was coming to her for processing through the loan application process. The loan approval process consist of Account Managers, Underwriters and others asserting to Argent or New Century that stipulations and or conditions for loan approval have been met. The motive was money.

### 3. FALSE LENDER PAPERWORK—THE LOAN APPROVAL SHEET

Within the scope of the Criminal Enterprise and to further it's affairs during the loan approval process employees, or agents of Argent and New Century approved the loans for funding knowing that the stipulations for such loan approval had not been met by falsely stating in mortgage loan documents that said stipulations had been satisfied by the buyer, broker or another person when in fact the stipulations had not been satisfied. An example of such conduct is that Angela Pasternak an account manager asserted on a particular loan that the credit score was a certain level or that a verification of employment had been made when in fact she knew that the credit score was not at that level or that the verification was false. Pasternak in furtherance of the conspiracy would clear the stipulation as if it was met when in fact she knew it was not. Her work would not be reviewed prior to loan approval by her supervisors.

In selling these Mortgages to investors Argent warranted that the loans secured by the mortgages were good loans and made in accordance with Argent's guidelines when in fact some loans were not. Argent employees or agents were aware that investors were purchasing these mortgages believing that Argent's guidelines were followed when in fact they were not.

Documents submitted by a mortgage broker or title company to a lender were sent, in whole or in part, by telecommunications devices - by wire or facsimile. Accordingly, these representatives of the mortgage broker knowingly and/or with deception submitted these false loan applications that misstated one or more of the following: the amount of the buyers' assets, income, the purpose of the loan and/or for investment and other basic and fundamental financial information regarding the Buyers financial condition in order to gain approval for the loan amounts requested in these applications.

Further, the mortgage broker and its representatives received commission and fees for their illegal services as did account managers and account representatives. This indictment alleges, in specific counts as set forth below, these fees and commissions constitute the receipt of stolen property in the form of commissions and fees illegally paid to the mortgage broker and its representatives. This indictment also alleges that the entire real estate transaction constitutes money laundering as well as the disbursement of funds to those in the criminal enterprise.

**B. The Names of some of the Persons Associated with the Enterprise and the Nature of the Enterprise:**  
The names of some Persons Associated with the Enterprise, and their role in the Enterprise are set forth below. Each of these Persons acted, directed and managed certain aspects of this criminal Enterprise consistent with their role in the Enterprise. These Persons are:

1. **Angela Pasternak:** Pasternak was an account manager at Argent. As an account



Foreperson of the Grand Jury



Prosecuting Attorney



**Exhibit 7**

---

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/22/2011

On February 18, 2011, SCOTT NEWCOMBE, was telephonically interviewed, by Forensic Accountant Ron Saunders, Special Agent Jeffrey Kassouf and Special Assistant United States Attorney Micah Ault, after being advised of the nature of the interview and the identity of the interviewing personnel, NEWCOMBE provided the following information:

NEWCOMBE worked at ARGENT MORTGAGE, and transferred over to Citigroup Global once Argent was sold to Citigroup. NEWCOMBE is involved in ACC Capital as they wind down Argent.

Argent was a loan originator.

During the years 2005-2006 Argent processed a significant number of loans.

Argent required the borrower provide a down payment, which was generally provided through a cashiers check.

Argent had a stated loan program. These loans were typically higher risk, so they carried a higher interest rate on the loan. In the stated income loan program, the borrower states their income on the loan application, also known as a 1003. Argent required the borrower to sign a certification or letter as to their income.

Argent originated their loans through mortgage brokers. The mortgage brokers were required to go through an approval process before Argent would accept any loans.

The loans were assigned to the underwriting department if the loan met the underwriting guidelines a conditional loan approval with various terms was issued.

Final approval on the loan would be issued after the loan conditions were met.

Argent would send various loan documents to the title company to be signed at closing. Once the title company closed the loan and completed the documents, they would send the completed

Investigation on 02/18/2011 at Cleveland, Oh

File # 329A-CV-71645

Date dictated \_\_\_\_\_

by SA Jeffrey P. Kassouf

329A-TV-71645

Continuation of FD-302 of

SCOTT NEWCOMBEOn 02/18/2011Page 2

documents back to Argent. Once this was done Argent would fund the loan.

The account executive, was the sales representative in the field who dealt with the mortgage brokers.

The account manager oversaw the underwriter and funding processes.

Underwriting approved the loans, if there were any exceptions or conditions not met the account manager could override or waive a condition, if it made good business sense. (X)

It was important to underwriting to pull the borrower's credit report. The credit score drove the loan process.

The borrower's income was important to assess the risk of repayment.

A debt to income ratio was calculated based upon the income provided in the 1003.

Purchase loans required proof of the down payment.

The appraisal was required to be done by a disinterested third party.

The appraiser dealt with the mortgage broker, who submitted the appraisal report to Argent. Once received the appraisal would be sent for a desk review. If any followup by the desk review was needed they could call the appraiser.

The Account Manager and Underwriter placed heavy reliance that the 1003 was completed accurately and truthfully.

If the borrower was self employed a third party letter from a Certified Public Accountant was needed.

Argent required 5% of the down payment must be from the borrowers own funds, regardless of the Loan to Value.

Gift funds had to come from an immediate family member. If a gift was provided a gift letter was required, stating the funds were given truly as a gift and no repayment was required.

Exhibit A p. 3

329A-CV-71645

Continuation of FD-302 of SCOTT NEWCOMBE , On 02/18/2011 , Page 3

Argent did not accept third party down payments from a down payment provider.

Argent accepted seller second mortgages, also known as seller carry backs. The loan contract stating the terms and conditions was required to be provided to Argent. If a seller second was entered into Argent expected this was a legitimate transaction which would be repaid.

At one point Argent allowed only the buyer HUD Settlement Statement, however, their policy switched to requiring both the buyer and seller side. Argent switched this policy when it was discovered unauthorized third party disbursements were being made on the loans.

Closing costs were based upon the purchase agreement. The closing costs were capped at a certain percentage. Therefore the seller could only provide a certain maximum percentage.

Any money going to the buyer would need to be disclosed to Argent.

Exhibit A 0.4

Exhibit 8



AFFIDAVIT OF EDWARD PASELA

STATE OF OHIO  
COUNTY OF CUYAHOGA, SS:

I, Edward Pasela, depose and state under oath as follows:

1. I was the father of Dawn Pasela, who died on April 25, 2012.
2. For the last three years of her life, Dawn worked for the Cuyahoga County Mortgage Task Force, first as a contract employee and then as a county employee.
3. Dawn served in the capacity of office manager. One of her duties was to maintain the task force's files. After Dawn worked there for a while, she said she was concerned that things were being taken from the files and not returned. She also said some employees had signed her name when they took the files, and she feared they were hiding them from attorneys representing the people the task force was investigating. She particularly expressed concern about the way the cases against Anthony Viola and Susan Alt were being handled. Dawn showed us photos she had taken of file boxes haphazardly stacked in the hallway, which made them easily accessible to almost anyone.
4. Dawn also mentioned that some computers in the office had disappeared, and she couldn't find out why or where they went.
5. Although Dawn was not trained as an investigator, she was asked to go to a fund-raising event for Anthony Viola after he had been indicted and to secretly record what was said. She was also asked to write a check for Viola's defense fund so the prosecutors could determine at which bank the fund was being maintained. Dawn wondered about the propriety of these tactics.
6. Dawn continued to attend events sponsored by Viola's supporters and eventually began to sympathize with him because she felt that prosecutors were withholding documents that could help in his defense.
7. As her disenchantment over what was going on at the task force grew, Dawn began drinking excessively. This finally led to her termination. The task force later asked her to come in to discuss reinstatement, but she declined.
8. After the task force learned that Dawn had been subpoenaed to testify on Viola's behalf, two investigators came to her apartment to pressure her to reveal what Viola wanted her to testify about. She told us that the two men said that it would be wise for her to leave Ohio for a while and that if she testified for Viola she could end up in a federal prison. As a result, Dawn did not testify.

9. Dawn was so frightened that the investigators might return that she moved into our house for 10 or more days and stopped drinking. She also parked her car in our garage so no one would see it. Dawn eventually began to feel stronger physically and emotionally and moved back to her apartment.

10. When we visited Dawn the day before she died, we could tell that she had started drinking again, and we urged her to stop.

11. Dawn was found dead the next day. The cause of death was listed as acute alcohol intoxication. She was only 26.

Further I sayeth naught.

Edward Pasela  
Edward Pasela

Sworn and subscribed in my presence this 16<sup>th</sup> day of December, 2014.

Paul Vargo  
NOTARY PUBLIC



PAUL VARGO  
NOTARY PUBLIC  
STATE OF OHIO  
Recd. In  
Cuyahoga County  
My Comm. Exp. 1/25/17



PAUL VARGO  
NOTARY PUBLIC  
STATE OF OHIO  
Recd. In  
Cuyahoga County  
My Comm. Exp. 1/25/17

# Exhibit 9





Contradictions between JP Morgan Chase Trial Testimony in CR-08-506,  
USA v. Viola, Northern District of Ohio and JP Morgan Statement of Facts

Testimony of Mr. Alfio Savarino, "corporate  
 representative of JP Morgan Chase" p. 1118

November 19, 2013 Statement of Facts  
 signed by JP Morgan

- |   |  |
|---|--|
| (1) JP Morgan underwrote to policy,<br>page 1199  | JP Morgan ... received information that ... loans did not comply with underwriting guidelines [but] were ... sold and marketed to investors; however, JP Morgan ... did not disclose this to securitization investors, page 1. |
| (2) Everything, analysing risk and the way we graded it [i.e the loan] was done manually page 1125  | JP Morgan [closed loans] without analyzing these loans on a case-by-case basis, page 4.  |
| (3) We would look at ... debt to income ratios page 1126  | JP Morgan closed loans with "high debt to income ratios" page 4.   |
| (4) JP Morgan would "decline the loan" if income was falsely stated" page 1128  | JP Morgan "concluded borrowers overstated their incomes" but "agreed to purchase" loans regardless, page 6.  |
| (5) The income was ... verified, page 1127  | JP Morgan closed loans with "inadequate or missing documentation of income" page 4.  |
| (6) The underwriter would look at the assets reported on the application, page 1129 and JP Morgan relied on "the presentation of income, page 1129. | JP Morgan closed loans with "missing documentation such as ... proof of income employment or assets" page 4.   |
| (7) JP Morgan verified the employment, page 1218  | JP Morgan closed loan with "stated income that the vendors concluded were unreasonable" page 4.  |
| (8) Every appraisal was sent to the review department, page 1131  | JP Morgan closed loans with "missing appraisals" page 4.   |
| (9) JP Morgan required "a minimum of 10% down" p. 1133  | JP Morgan closed loans with "high loan-to-value ratios (some over 100 percent)" page 4.  |

INDICTMENT, page 4 "The object of the conspiracy was ... to induce the mortgage companies to finance the purchase of nineteen properties at an inflated appraised value."

JP MORGAN'S MR. SAVARINO AT TRIAL, page 1233: JP Morgan relies on the appraisal.

JURY INSTRUCTIONS, page 3797: The crime was "to induce the mortgage company to finance the purchase of the property at an inflated appraised value."

STATEMENT OF FACTS, page 2: "Properties securing the loans had a appraised values that were higher than the values derived in due diligence testing from automated valuation models broker price opinions or other due diligence methods."

# EXHIBIT 10



## Investigation of Mortgage Fraud Task Force



For immediate release: Cleveland, Ohio Feb 23, 2017

Court documents filed today allege accounting irregularities by the Cuyahoga County Mortgage Fraud Task Force formed in 2007 by then County Prosecutor, Bill Mason. Over 60 criminal cases were prosecuted by this Task Force and hundreds of local residents convicted, some of whom have spent years in prison. As part of the criminal sentences,

numerous defendants were ordered to pay substantial amounts of restitution and / or forfeiture, terms that were seemingly used interchangeably by the County Prosecutor, but legally represent very different remedies and are payable to very different entities.

AltTRUEism, LLC a watchdog for FOIA (Freedom of Information Act) requests, was alerted to these accounting abnormalities when confirmation surfaced that certain defendants were ordered to pay restitution to banks for mortgages that had been paid in full years prior to the indictment. In the hay day of the Task Force when public outrage was on high boil because of the taxpayer bailout of the Banks, Bill Mason routinely touted his indictments of the local Cleveland realtors and investors to the national media outlets as "convicting the largest mortgage fraud scams in the United States," and vowing to make these criminals repay the banks! Since that time however, the financial institutions' culpability to mortgage fraud raise questions as to the designation of these entities as "victims" and to their eligibility to collect restitution.

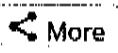
The lawsuit represents a formal request for a complete, forensic audit of all money collected from the mortgage fraud task force convictions from 2007 to 2015 complete with records of further disbursements of restitution to the purported "victims" or Banks. An audit of monies collected by a County from criminal cases is not privileged and remains public record for the citizenry inspection, yet, repeated requests by AltTRUEism and their agents for this audit have gone unanswered for the past year.

As always, we welcome your comments: <http://www.alttrueism.com/in-the-crosshairs/>



AltTRUEism; Watchdog for 5th Amendment *Due Process* and 14<sup>th</sup> Amendment *Equal Protection*

Share this:



Related

# Exhibit II





## THE COURT OF COMMON PLEAS

COUNTY OF CUYAHOGA

JUSTICE CENTER

1200 ONTARIO STREET

CLEVELAND, OHIO 44113

DANIEL GAUL

Judge

(216) 443-8706

February 17, 2017

Anthony L. Viola - ID #32238-160  
McKean Federal Correctional Institution  
P.O. Box 8000  
Bradford, PA 16701

Dear Tony:

I hope you are as well as a person can be in federal prison.

Just thought I would write to express my feelings of regret on your continued incarceration. I had hoped that your exoneration in my courtroom would have assisted you in overturning your federal conviction.

In any case, I am writing to inform you that there is a newly elected Cuyahoga County Prosecutor. His name is Mike O'Malley. His office may be willing to take a fresh look at Daniel Kasaris' misconduct in your case. If Kasaris participated in your federal case, O'Malley's office may be able to intervene, or at least support a post-release remedy before Judge Nugent.

Anyway, this is just a thought. Please let me know if I may assist you in any way.

I regard you as an extremely decent man and I do hope you will have your conviction overturned.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Gaul".

Daniel Gaul  
Judge

DG/mtl