



## **Monitoring the Trial of Emmanuel Toto Constant: July 17<sup>th</sup> 2008: Prosecution Continues to Call Witnesses**

The judge opened by changing the order of testimony. The previous day's witness was rescheduled to complete his testimony following a new witness. Three witnesses were called on this day.

### Witness 1: a straw buyer

The witness is a nurse from Pennsylvania. According to her testimony, she had been hired as a "straw buyer", that is, a person who is paid to put her name on legal documents as the buyer of property, but who doesn't pay the mortgage. She was paid \$20,000 to put her name on 2 purchases.

She attended the closings, where all papers were signed and signatures were verified by lawyers. She stated she didn't know the 8 people who were involved. She stated her employer told her she wouldn't be paying the mortgage, and that her name would be removed from the papers after a year.

She stated she didn't know fraud was involved. One of the purchases she signed for was transferred from her name, but the other one, a Section 8 housing building, caused her problems. The bank where the loan was made started to harass her for money. She then tried to call her employer several times, and after threatening to go to the FBI, he finally spoke to her, telling her to contact a man who worked at D&M Financial. This is how she met Mr. Constant.

She met Mr. Constant three times and stated that he knew she was a straw buyer. He said he would try to get rid of the property for her. He was present at the closing which took her name off the loan.

The defense attorney ascertained that she had called the Attorney General's office when she realized the property was still in her name. She subsequently wore a wire to cooperate with the Attorney General, which implicated some of the people involved.

### Witness 2: a real estate broker, involved in over 100 fraudulent deals

(continued from previous day)

"Seasoning" is the term this witness used for the fraudulent real estate business practice of getting a buyer, a seller, an appraiser, a mortgage broker, a bank loan and lawyers to verify the sale at closing. There were phony buyers, inflated appraisals, phony papers, and a bank loan made by an officer who was party to the fraud.

The witness was heavily involved and earned, by his admission, about \$6.5 million.

The defense attorney thoroughly questioned the witness making him go through all the names, dates and procedures and also making him call his actions "fraud." The witness



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named the same people and the same organizations the previous witness named.

He admitted his illegal activity stopped when he got wind that the police were investigating. The defense attorney then questioned him about his deal with the Attorney General. He stated that he was offered and agreed to, 3 years "conditional discharge" and a \$5000 fine in exchange for cooperation, and that no end to the cooperation was stated, so that he's still being used by the Attorney General to discover forged documents.

The defense attorney tried to discredit the witness's testimony regarding a house on Monroe Street, because the witness first said the deal was perfectly legal, and then he said it wasn't. He also stated that Mr. Constant, as a realtor, brought in a buyer and an appraiser. However, the attorney cleared the confusion by getting the witness to state that all his activities were, in fact, fraudulent, including the one in question, and also stating that Emmanuel Constant committed fraud with him.

### Witness 3: a real estate broker

This witness began committing fraudulent deals in 1997. He stated that he made money by inflating the value of the bank loans. He paid the appraiser \$1500 for phony appraisals. He stated that the seller also made money. He testified that he made deals like this on over 50 properties in NYC.

The witness met Mr. Constant 4 years ago, around the time at which he was having had a problem with a building in the Bedford Stuyvesant area of Brooklyn, NY. In order to get a loan, the witness had forged the certificate of occupancy, describing the building as a 4-family building so that he could get a residential loan, instead of a 6-family dwelling, which would have required him to get a commercial loan only. When the "straw buyer" for the building began demanding more money to keep up the ruse, the witness became afraid that the "straw buyer" would sell, so Mr. Constant brought in another buyer.