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**Monitoring the Trial of Emmanuel Toto Constant:
July 22nd 2008: Prosecution Continues to Call Witnesses**

The prosecution, Mr. Shellhammer, put three witnesses on the stand today.

Witness 1: Alvaro Abadia, a straw buyer

Mr. Abadia indicated that he was a "straw buyer" for Mr. Constant on three occasions and was paid \$10,000 for each transaction. He testified that all he had to do was sign some documents and that he did not understand what the documents meant. He did understand that he was buying a property and then selling it back immediately. He testified that he was not aware that by signing the documents he was obligating himself to pay down a mortgage. He was told by those who led him to this scheme that they would pay the mortgage. He was not aware getting involved in this scheme would wreck his credit.

The primary person who directed him was named Raphaela. Mr. Abadia never met Mr. Constant, but Raphaela told him many times that "Emmanuel" was in charge of the operation. He remembered seeing "Emmanuel" briefly at one point and identified Mr. Constant sitting in the courtroom as fitting his recollection.

The prosecution brought forth the following evidence: a set of documents for the sale of a property at 87 Monroe Street, signed by Mr. Abadia; a \$10,000 check cashed by Mr. Abadia. Mr. Abadia is a painter by trade who makes \$18-21,000 annually. He owns no property. All the properties for which he acted as a straw have foreclosed.

Under cross examination, the defense tried to conjure the idea that Mr. Constant was not involved by asking Mr. Abadia about his interactions with Raphaela. But the witness testified that he knew Raphaela was working with Emmanuel because Emmanuel's name was in the papers he signed and she mentioned him frequently.

Witness 2: John Flood, an investigator in the Attorney General's office, Organized Crime Task Force

In August 2005, Mr. Flood gave recording equipment to ██████████ for the purpose of recording conversations between ██████████, Constant, and Reynaud Louissant (sp?). He attended some of these meetings, which usually took place at restaurants. After the conversations were recorded he downloaded the audio files to disks. Those disks were entered into evidence.

Mr. Flood testified that he knew ██████████ was himself under criminal investigation but had not yet been arrested. He testified that ██████████ cooperated with the government and essentially became an arm of the government's investigation into Emmanuel Constant. Mr. ██████████ was told to conduct the same business arrangement he normally would with Mr. Constant while wearing the wire.



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Witness 3: ██████████, a government informant involved in Constant's conspiracy
██████████ is currently an office manager at Matrix, LLC. He formerly worked as a real estate broker and stock broker. He and his brother-in-law, Walter, were arrested in 2002 for stock, mail, and securities fraud. ██████████ was convicted, received a 36 month sentence, and served 14 months in prison. Released in 2004, he was introduced to Mr. Constant through a friend, Reynaud Louissant. Mr. Constant taught him how to do real estate fraud. As an agent of Zeldin Holdings, ██████████ would buy distressed properties to resell, and Mr. Constant would structure the loans and sometimes write the contracts. An appraiser named "Andy" would write false appraisals with highly inflated values, sometimes without even inspecting the properties. ██████████ and Walter had to pay the first two mortgage payments in order to get their percentage from the deal. After the second payment they simply allowed the mortgage to default. At first ██████████ did not know the value of the properties, but eventually learned they were inflated. He was paid from the profits of each sale, and conducted about 20 to 25 transactions there.

██████████ testified he paid \$10,000 to a straw buyer named Garth Leon (sp?) to buy a property. ██████████ signed his sister's name on the check. He also paid out 16% of this sale to Constant by writing a check to Constant's company, EMC Associates.

██████████ testified to doing "ABC flips" with Mr. Constant. He testified that he eventually stopped doing deals with Mr. Constant because he knew the deals were fraudulent and he was already on trial for stock fraud and had been to prison. Mr. Constant always required high percentages, and ██████████ and Louissant could continue to do deals without the help of Mr. Constant. He testified that he never did a legitimate deal with Mr. Constant.

Because he "wanted to avoid going to jail," ██████████ agreed to cooperate completely with investigators, to wear a wiretap, and to allow recorded conversations with Constant about flips, forged titles, straw buyers, and other fraudulent conduct, both present and future. He maintained, however, that there was no written or oral agreement with prosecutors to obtain leniency in exchange for cooperation.

One such meeting with Constant and Louissant was held on August 24, 2005 at a Chinese diner. They discussed specific properties, such as 281 Montauk, and agreed to conduct fraudulent deals. They discussed the bank attorney's role. Once the titles were "seasoned" (or forged to falsely indicate the one-year waiting period had passed) and straw buyers were found, the deals were sent to the bank to be paid. Since ██████████ was cooperating at this point, he had no intention of actually going through with these deals.

The prosecution brought forth a fax from Mr. Constant to ██████████ as evidence. The fax listed the addresses and sale price for two properties, and mentioned such things as "one year seasoning" and "A-B-C flip." ██████████ confirmed that the fax referred to 2 fraudulent



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deals.

On January 21, 2006, the wiretap recorded a conversation between ██████████ and Mr. Constant about potential deals on the Florida-Georgia border. ██████████ promised he could provide investors as well as "seasoned" titles. Both said they could obtain straw buyers.

Under cross examination, the defense attempted to impeach ██████████ credibility by questioning his reasons for cooperating with the Attorney General's office from August 2005 to June 2006. He tried to get ██████████ to admit that a deal was in place to protect him from imprisonment so long as he gave prosecutors what they needed for their case against Mr. Constant. ██████████ maintained that no deal was in place, and he simply hoped to get leniency by cooperating with the wiretap and telling the truth on the stand.

The defense also attempted to impeach ██████████ credibility by emphasizing his criminal convictions for fraud and his association with other convicts. ██████████ made roughly \$300,000 from his securities fraud, went to jail, and lost his real estate license. He admitted that he and Walter planned to use their Wall Street experience and contacts to defraud others. Walter's wife was involved with the Constant scheme, as she signed documents and attended closings. Another person named Lucandela, who owned and operated D&M Financial, independently conspired with ██████████ and Walter to commit fraud, without the involvement of Mr. Constant. Lucandela contacted the title companies to ensure titles were "seasoned," while Andy obtained the forged titles. ██████████ got the straw buyers by approaching them on the street or recruiting indirect family members.

Under cross examination, ██████████ admitted the Florida-Georgia deals he discussed with Mr. Constant on June 21, 2006 were legal deals. He admitted that, although he did know investors, he did not have commitments from any investors, and just wanted to get Mr. Constant talking for the wiretap. He also admitted that it was he who initially reached out to Mr. Constant on that date.

██████████ later agreed with the prosecution that, although the first part of the August 2005 and June 2006 conversations could have been regarding legal deals, the second part could be regarding illegal deals. He testified that he discussed fraudulent deals with Mr. Constant during the time period between these two conversations.