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CLERK U S DISTRICT COURT DISTRICT OF ARIZONA	
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1 ELIZABETH A. STRANGE  
 Acting United States Attorney  
 2 District of Arizona  
 MONICA EDELSTEIN  
 3 Assistant U.S. Attorney  
 Arizona State Bar No. 023098  
 4 Two Renaissance Square  
 40 N. Central Ave., Suite 1200  
 5 Phoenix, Arizona 85004  
 Telephone: 602-514-7500  
 6 Email: monica.edelstein@usdoj.gov  
 Attorneys for Plaintiff

7  
 8 IN THE UNITED STATES DISTRICT COURT  
 9 FOR THE DISTRICT OF ARIZONA

10 United States of America,  
 11 Plaintiff,  
 12 vs.  
 13 Yomtov Scott Menaged,  
 14 Defendant.

NO. CR-17-00680-PHX-GMS

**INFORMATION**

**VIO:** 18 U.S.C. § 1956(h)  
 (Money Laundering Conspiracy)  
**Count One**

15 THE UNITED STATES ATTORNEY CHARGES:

16 **BACKGROUND**

17 At all times relevant to this Information:

18  
 19 1. The defendant YOMTOV SCOTT MENAGED (“Menaged”) owned a  
 20 number of retail furniture stores and also worked as a real estate investor in the Phoenix  
 21 metropolitan area. Menaged was the sole owner and manager of several real estate  
 22 investment entities including Arizona Home Foreclosures, LLC (“AHF”).

23  
 24 2. DenSco Investment Corporation (“DenSco”) was a hard money lender  
 25 formed by D.C. in April 2001, whose primary business was to provide funding through  
 26 short-term, high-interest loans to real estate investors for the purchase of real estate.  
 27  
 28 Between 2007 and 2008, D.C. and DenSco began a lending relationship with Menaged and

1 loaned monies for the purchase of real estate through foreclosure Trustee Sales conducted  
2 in Arizona.

3 3. Menaged, or Menaged's employees at his direction, identified prospective  
4 properties to purchase and sent by email a listing of properties and proposed sale amounts  
5 to D.C. and DenSco requesting hard money loans for the purchase of the identified  
6 properties. DenSco wire transferred funds directly from DenSco 1<sup>st</sup> Bank Account ending  
7 in #5264 to bank accounts owned and operated by Menaged, including AHF JP Morgan  
8 Chase bank account ending in #1151. Often Menaged would identify multiple prospective  
9 properties to purchase and DenSco would wire transfer aggregate loan amounts to  
10 Menaged's accounts for the purchase of multiple properties.  
11  
12

13 4. Starting in January 2014, DenSco began requiring Menaged to provide  
14 DenSco with copies of specific cashier's checks, issued by Menaged's bank to the  
15 respective foreclosure trustees, as well as copies of the Trustee's Sales Receipts for each  
16 transaction conducted with DenSco funding.  
17  
18

19 5. Between January 2014 and June 2016, Menaged and AHF obtained a total of  
20 2,712 loans from DenSco totaling approximately \$734,484,440.67.  
21

22 6. On or about April 20, 2016, Menaged filed for bankruptcy pursuant to  
23 Chapter 7 of the United States Bankruptcy Code.  
24

25 **COUNT ONE**  
26 Conspiracy to Commit Money Laundering  
27 [18 U.S.C. § 1956(h)]  
28

7. All of the allegations set forth in Paragraphs 1 through 6 of the Information  
are re-alleged and incorporated herein.



1           12. Menaged caused the issuance of cashier's checks drawn on his bank accounts  
2 representing the purchase amount for the properties and emailed, or caused others to email,  
3 an image of the checks to DenSco in satisfaction of the lending agreement between the  
4 parties. Menaged then immediately redeposited the cashier's checks into accounts he  
5 controlled and did not utilize the funds to make the identified real estate purchases.  
6

7           13. Menaged and others executed, notarized, and provided DenSco, often by  
8 email, falsified and fabricated documentation purporting to represent Trustee's Sales  
9 Receipts for completed real estate transactions when in fact, no real estate purchase ever  
10 occurred.  
11

12           14. Menaged transmitted large portions of the proceeds obtained from DenSco  
13 to family members and associates including by issuing checks, wire transfers, or other  
14 financial transactions often in amounts greater than \$10,000.00.  
15

16           All in violation of 18 U.S.C. § 1956(h).  
17

18           Dated this 16<sup>th</sup> day of October, 2017.  
19

20  
21           ELIZABETH A. STRANGE  
22           Acting United States Attorney  
23           District of Arizona

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25           \_\_\_\_\_  
26           MONICA EDELSTEIN  
27           Assistant U.S. Attorney  
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