

FBI JAILS 15 IN FHA FRAUD

NEW YORK, Oct. 22.—(INS)
—The FBI announced today the arrest of fifteen men charged with arranging over \$400,000 in fraudulent FHA-insured home improvement loans in which home owners were given kickbacks for signing loan applications.

James J. Kelly, special agent

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in charge of the FBI's New York office, said the rings operated in New York City, Orange, Westchester, Nassau and Suffolk counties in New York, and in nearby New Jersey and Connecticut.

The FBI said it investigated \$600,000 worth of loans and found that \$60,000 was returned to the home owners as payment for their signatures.

“Seventy-four per cent of the loans investigated,” said the announcement, “were found to be fraudulent.”