



SIGTARP

OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

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GRAND JURY INDICTS 11 LINKED TO A CALIFORNIA MORTGAGE MODIFICATION SCAM THAT TARGETED FINANCIALLY DISTRESSED HOMEOWNERS

WASHINGTON, DC - Federal agents this morning arrested 10 defendants who worked at a Rancho Cucamonga, Calif.,-based business that allegedly offered bogus loan modification programs to financially distressed homeowners. As a result of the scheme allegedly run out of 21st Century Real Estate Investment Corp. and several related companies, more than 4,000 financially distressed homeowners lost at least \$7 million in fees they paid to the company, and many homeowners lost their homes to foreclosure.

Those taken into custody this morning were among 11 defendants named in a federal indictment unsealed today following an investigation by the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP); the Federal Bureau of Investigation; IRS-Criminal Investigation; the United States Postal Inspection Service; and the Federal Housing Finance Agency, Office of Inspector General.

According to the indictment, during an 18-month period that began in June 2008, a Rancho Cucamonga woman – Andrea Ramirez – operated 21st Century and several other companies. According to the indictment, 21st Century “defrauded financially distressed homeowners by making false promises and guarantees regarding 21st Century’s ability to negotiate loan modifications from the homeowners’ mortgage lenders, falsely representing that 21st Century was operating a loan modification program sponsored by the United States government, instructing homeowners to cease communication with their mortgage lenders and to cease making their mortgage payments.”

“Ramirez and her co-conspirators are charged with fraudulently operating 21st Century to exploit the hardships of homeowners fighting to keep a roof over their head,” said Christy Romero, Special Inspector General at SIGTARP. “As alleged, these con artists swindled distressed homeowners by lying about their affiliation with federal housing programs and giving money-back guarantees that the homeowners would get a lower mortgage payment if they paid an advance fee. SIGTARP and our law enforcement partners are committed to shutting down schemes that prey on those who can least afford it by falsely claiming an affiliation with TARP’s housing programs.”

“The housing crisis provided fraud artists a new avenue to exploit people in financial distress,” said United States Attorney André Birotte Jr. “Many of the victims in this alleged scheme were in desperate financial straits, and shameless financial predators promised relief they could not deliver. As a result, many homeowners went into foreclosure and now have to deal with the ramifications of losing their homes.”

Ramirez and the other 21st Century employees contacted distressed homeowners through cold calls, newspaper ads and mailings, and various 21st Century-controlled websites that advertised loan modification services. Once they contacted the distressed homeowners, according to the indictment, Ramirez and other 21st Century employees often falsely told clients that the company was operating through a federal government program, that they would be able to obtain new mortgages with specific interest rates and reduced payments, and that attorneys would negotiate loan modifications with their lenders. Ramirez and other 21st Century employees regularly instructed financially distressed homeowners to cease making mortgage payments to their lenders and to cut off all contact with their lenders because they were being represented by 21st Century. On some occasions, Ramirez and other 21st Century employees would tell homeowners that 21st Century was using the fees paid by the homeowner to make mortgage payments, when in fact Ramirez and 21st Century were simply keeping the homeowner's money.

The 11 defendants named in the indictment are:

- Andrea Ramirez, who also used the names Andrea Parker and Lisa Evans, 44, of Rancho Cucamonga;
- Christopher Paul George, 42, Rancho Cucamonga, who surrendered this morning to authorities;
- Michael Bruce Bates, who also used the names Michael Bruce Myers and Robert Allen Castro, 61, of Moreno Valley;
- Crystal Taiwana Buck, 37, of Long Beach;
- Michael Lewis Parker, 34, of Pomona, who is currently a fugitive being sought by federal authorities;
- Catalina Deleon, 35, of Glendora;
- Hamid Reza Shalviri, 50, Montebello, who self-surrendered this morning after being contacted by federal agents;
- Yadira Garcia Padilla, 35, of Rancho Cucamonga;
- Mindy Sue Holt, 53, of San Bernardino;
- Iris Melissa Pelayo, 42, of Upland; and
- Albert DiRoberto, 59, of Fullerton.

The defendants arrested this morning are expected to be arraigned this afternoon during their initial court appearances in United States District Court in Riverside, Calif.

All 11 defendants are charged with nine felony counts – five counts of mail fraud, three counts of wire fraud and one count of conspiracy. Each count in the indictment carries a statutory maximum penalty of 20 years imprisonment.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until and unless proven guilty in court.

SIGTARP, the Consumer Financial Protection Bureau, and the U.S. Department of the Treasury have established a taskforce to combat mortgage modification scams exploiting HAMP and to raise public awareness of the scams. The taskforce has issued a Consumer Fraud Alert, which offers tips on how to identify and avoid mortgage modification scams. To view the Consumer Fraud Alert tip sheet, visit www.SIGTARP.gov/documents/Consumer_Fraud_Alert.pdf.

This prosecution was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, which was established to wage an aggressive and coordinated effort to investigate and prosecute financial crimes. SIGTARP is a member of the task force. To learn more about the President's Financial Fraud Enforcement Task Force, please visit www.StopFraud.gov.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

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