



# 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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## CALIFORNIA LOAN MODIFICATION SCAM RINGLEADER SENTENCED TO 18 YEARS IN FEDERAL PRISON AND OVER \$6 MILLION RESTITUTION

*Company Targeted Distressed Homeowners and Falsely Claimed Government Affiliation*

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and United States Attorney Eileen M. Decker announced yesterday that Andrea Ramirez, 47, of Rancho Cucamonga, Calif. was sentenced to 18 years in federal prison for orchestrating a scheme that offered bogus loan modification programs to thousands of financially distressed homeowners who lost more than \$7 million when they paid for services that were never provided. In addition to her prison sentence, Ramirez was ordered to pay \$6,764,743 in restitution.

Ramirez was the co-owner and organizer of a telemarketing operation known under a series of names – including 21<sup>st</sup> Century Legal Services, Inc. – that bilked more than 4,000 homeowners across the nation, many of whom lost their homes to foreclosure. Ramirez was sentenced yesterday after pleading guilty to one count of conspiracy to commit mail fraud and wire fraud.

“As the ringleader in a scheme to dupe thousands of distressed homeowners out of their last dollar at the height of the financial crisis, Andrea Ramirez earned the next 18 years in federal prison, which she should use to reflect on her victims,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). “Using cold calls, newspaper ads, and mailings, Ramirez and her co-conspirators lured in unsuspecting homeowners with promises of a 98% mortgage reduction success rate, and lies that their company, 21<sup>st</sup> Century Mortgage, was operating a program sponsored by the United States Government. Ramirez instructed homeowners to stop talking to their lenders and send their monthly payments to 21<sup>st</sup> Century. This horrific fraud scheme stole \$7 million from homeowners, but did absolutely nothing to help.”

“This fraudulent company purposely targeted homeowners who were extremely vulnerable because they were facing foreclosure,” said United States Attorney Eileen M. Decker. “Ramirez and her co-defendants made false promises to desperate homeowners, often took the last of their money and then abandoned them. Her contempt for her victims will put her in federal prison for nearly two decades.”

Previously in this case, the other co-owner of 21<sup>st</sup> Century – Christopher Paul George, 45, of Rancho Cucamonga, was sentenced to 20 years in federal prison. A total of 11 defendants linked to 21<sup>st</sup> Century have been convicted of federal fraud charges as a result of an investigation conducted by 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.

During a 15-month period that began in the middle of 2008, Ramirez operated 21<sup>st</sup> Century, which defrauded financially distressed homeowners by making false promises and guarantees regarding 21<sup>st</sup> Century's ability to negotiate loan modifications for homeowners. Employees of 21<sup>st</sup> Century made numerous misrepresentations to victims during the course of the scheme, including falsely telling victims that 21<sup>st</sup> Century was operating a loan modification program sponsored by the United States government. Victims were generally instructed to stop communicating with their mortgage lenders and to cease making their mortgage payments.

21<sup>st</sup> Century employees contacted distressed homeowners through cold calls, newspaper ads and mailings. The company also controlled websites that advertised loan modification services. Once they contacted the distressed homeowners, 21<sup>st</sup> 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. 21<sup>st</sup> 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 21<sup>st</sup> Century. On some occasions, 21<sup>st</sup> Century employees told homeowners that 21<sup>st</sup> Century was using the fees paid by the homeowner to make mortgage payments, when Ramirez, George and their co-defendants simply were pocketing the homeowners' money.

After federal authorities executed a search warrant at 21<sup>st</sup> Century, Ramirez relocated 21<sup>st</sup> Century's offices, renamed the company and made it appear it was operating out of Las Vegas, Nevada.

In addition to Ramirez and George, nine other defendants have been convicted for their roles in the 21<sup>st</sup> Century scam. They are:

- Crystal Taiwana Buck, 40, of Long Beach, who persuaded numerous victims to pay fees to 21<sup>st</sup> Century, was sentenced to five years in prison;
- Albert DiRoberto, 62, of Fullerton, who handled both sales and marketing – which included making a commercial for 21<sup>st</sup> Century – was sentenced to five years in prison;
- Yadira Garcia Padilla, 38, of Rancho Cucamonga – who, among other things, posted bogus positive reviews about 21<sup>st</sup> Century on the Internet – was sentenced to four years in prison;
- Michael Bruce Bates, of Moreno Valley, was sentenced to one year and one day in prison;
- Michael Lewis Parker, of Pomona, was sentenced to six years in prison;
- Catalina Deleon, of Glendora, is scheduled to be sentenced on December 14;
- Hamid Reza Shalviri, of Montebello, is scheduled to be sentenced on Thursday, December 10;
- Mindy Sue Holt, of San Bernardino, was sentenced to 18 months in prison; and
- Iris Melissa Pelayo, of Upland, was sentenced to four years in prison.

#### Financial Fraud Enforcement Task Force

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 and co-chairs the Rescue Fraud Working Group. To learn more about the President's Financial Fraud Enforcement Task Force, please visit [www.StopFraud.gov](http://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. To date, SIGTARP investigations have yielded more than 200 convictions and resulted in the recovery of over \$2.4 billion to the Government.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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