



**FOR IMMEDIATE RELEASE**

Wednesday, February 26, 2014

Media Inquiries: 202-927-8940

Twitter: @SIGTARP

Web: [www.SIGTARP.gov](http://www.SIGTARP.gov)

## FLORIDA MAN SENTENCED TO FEDERAL PRISON FOR DEFRAUDING THOUSANDS OF HOMEOWNERS IN \$4 MILLION NATIONWIDE HOME LOAN MODIFICATION SCAM

WASHINGTON, DC - A Florida man was sentenced on Tuesday to serve 12 months and one day in federal prison for defrauding thousands of homeowners in a \$4 million nationwide home loan modification scheme.

Special Inspector General for the Troubled Asset Relief Program (SIGTARP) Christy Romero, Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division, and U.S. Attorney Carmen M. Ortiz of the District of Massachusetts made the announcement.

Vernell Burris Jr., 54, of Coconut Creek, Fla., was sentenced by U.S. District Court Judge Rya W. Zobel of the District of Massachusetts and was ordered to serve two years of supervised release following his prison term. Two co-defendants, Christopher S. Godfrey, 44, of Delray Beach, Fla., and Dennis Fischer, 42, of Highland Beach, Fla., were each sentenced on Feb. 20, 2014, to each serve seven years in federal prison and three years of supervised release following their prison terms.

Burris pleaded guilty on Nov. 28, 2012, to one count of conspiracy and to nine counts of wire fraud.

According to court records, Burris worked for Godfrey and Fischer, initially as a salesman and later as a sales manager. From January 2009 through May 2011, Burris, along with Godfrey, Fischer, and others, operating under the name Home Owners Protection Economics Inc. (HOPE), made a series of misrepresentations to induce struggling homeowners to pay HOPE \$400 to \$2,000 in up-front fees in exchange for HOPE's help obtaining federally funded home loan modifications. HOPE was able to persuade thousands of homeowners to pay more than \$4 million in fees.

As stated in court records, the conspirators misrepresented that, with HOPE's assistance, the homeowner was guaranteed to receive a loan modification under the Home Affordable Modification Program (HAMP), which is part of the Troubled Asset Relief Program (TARP) and is a federally funded mortgage-assistance program. For example, the defendants routinely claimed that the homeowner had already been approved for a loan modification, provided phony "approval codes," quoted new (and wholly fictitious) mortgage terms and due dates, touted their 98 percent past success rate and claimed that they were "underwriters" or were otherwise affiliated with the homeowners' mortgage companies. HOPE also claimed that it would offer homeowners refunds in the unlikely event that they did not receive a loan modification.

“As the manager for HOPE, Burris did the dirty work for the fraud scheme spearheaded by Godfrey and Fischer that targeted struggling homeowners desperate to keep their homes and who were seeking aid through TARP’s housing program HAMP,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “Far from providing hope, these co-conspirators stole hope from homeowners by tricking them into thinking they were guaranteed foreclosure relief through HAMP. Burris hired and trained HOPE’s telemarketers, developed scripts that HOPE salesmen used to defraud homeowners, and lied directly to homeowners on the phone. SIGTARP will bring justice to those who exploit the government’s response to the financial crisis.”

Court documents allege that in exchange for the up-front fees, HOPE sent its customers, including homeowners in Massachusetts, a do-it-yourself application package, which was virtually identical to the application that the government provides free of charge. The HOPE customers had no advantage in the application process, and, in fact, most of their applications were denied.

The remaining defendant in the case, Brian Kelly, has pleaded guilty and is awaiting sentencing.

The case was investigated by SIGTARP and is being prosecuted by Senior Trial Attorney Mona Sedky of the Justice Department Criminal Division’s Computer Crime and Intellectual Property Section and Assistant U.S. Attorney Adam Bookbinder in the District of Massachusetts’s Computer Crimes Unit.

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

To receive alerts about quarterly reports, new audits, and media releases issued by SIGTARP, sign up at [www.SIGTARP.gov/pages/press.aspx](http://www.SIGTARP.gov/pages/press.aspx). Follow SIGTARP on Twitter @SIGTARP.

###