



FOR IMMEDIATE RELEASE

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TWO FLORIDA MEN SENTENCED TO SEVEN YEARS IN FEDERAL PRISON FOR DEFRAUDING THOUSANDS OF HOMEOWNERS IN \$4 MILLION NATIONWIDE HOME LOAN MODIFICATION SCAM

WASHINGTON, DC - Two Florida men were sentenced today to serve 84 months 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.

Christopher S. Godfrey, 44, of Delray Beach, Fla., and Dennis Fischer, 42, of Highland Beach, Fla., were sentenced by U.S. District Court Judge Rya W. Zobel of the District of Massachusetts and ordered to serve three years of supervised release following their prison term.

The defendants were convicted on Nov. 14, 2013, after a two-week trial, of one count of conspiracy, eight counts of wire fraud, eight counts of mail fraud, and one count of misusing a government seal.

"Scamming homeowners by selling for \$400 to \$2,000 what is a free application to TARP's housing program is a despicable crime, and for their crimes, Godfrey and Fischer will each spend the next seven years in federal prison," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Godfrey and Fischer called their fraudulent scam 'HOPE,' exploiting the federal government's foreclosure relief program of a similar name, all the while knowing that they were ripping off thousands of desperate homeowners already behind on their mortgages. Godfrey and Fischer taunted victims with messages such as, 'Congratulations, you've been approved!' and made empty money-back guarantees. They swindled homeowners out of more than \$4 million, which they used for extravagant trips to Dubai and France, luxury shopping sprees, and to pay their own mortgages on waterfront homes in Florida beach communities. SIGTARP and our law enforcement partners will put an end to scams that exploit TARP and bring swift justice to con men who perpetrate these scams."

"These men stole millions of dollars from struggling Americans who had achieved the dream of home ownership and sought help to refinance their mortgages and save their homes from foreclosure," said Acting Assistant Attorney General Raman. "Today's sentences should serve as a warning to anyone who exploits distressed homeowners and prevents them from getting the real help they need."

"These convictions and sentences should send the message that those who prey on the most economically vulnerable among us to line their own pockets will be caught, convicted, and given the long prison sentences they deserve," said U.S. Attorney Ortiz.

According to the evidence presented at trial, from January 2009 through May 2011, Godfrey, Fischer, and their employees, operating under the name Home Owners Protection Economics Inc. (HOPE), made a series of misrepresentations to induce struggling homeowners to pay HOPE a \$400 to \$2,000 up-front fee in exchange for HOPE's help obtaining federally funded home loan modifications. Among these misrepresentations were the claims 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.

According to the trial evidence, 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. Through these misrepresentations, HOPE was able to persuade thousands of homeowners to pay more than \$4 million in fees.

Trial evidence also showed that the defendants claimed that they operated HOPE as a non-profit, when, in fact, they operated as a for-profit telemarketing fraud scheme. Godfrey and Fischer used funds that homeowners had paid into the purported non-profit's bank account to pay for their trips to Dubai and the South of France, to shop at luxury stores, to pay for their pool service, and to pay the mortgages on their waterfront home and condominium. The remaining two defendants in the case, Vernell Burris Jr. and Brian Kelly, have pleaded guilty and will be sentenced on Feb. 25, 2014.

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.

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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