



SIGTARP

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

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

FOR IMMEDIATE RELEASE

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TWO NEW YORK MEN INDICTED FOR DEFRAUDING HOMEOWNERS IN LOAN MODIFICATION SCHEME

SIGTARP Agents Participated in Arrest of Alleged HAMP Fraudsters

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Kelly T. Currie, Acting U.S. Attorney for the Eastern District of New York announced today that an eleven-count indictment was unsealed, charging David Gotterup, also known as “David Gott,” and Jason Green with conspiracy to commit mail fraud, wire fraud, and bank fraud in connection with a scheme to defraud homeowners who were attempting to modify their mortgage loans, and related mail fraud counts. The indictment also charged Gotterup with conspiracy to commit wire and bank fraud in connection with a scheme to improperly obtain mortgage loans, and related bank fraud counts, disaster loan fraud, and aggravated identity theft.

According to court filings, from 2008 to 2012, Gotterup and Green defrauded distressed homeowners who were seeking relief through government mortgage modification programs by convincing more than a thousand homeowners to pay thousands of dollars each in advance fees based on false promises. Gotterup also defrauded financial institutions and the Federal Housing Administration by obtaining mortgages on properties in Brooklyn and Queens by falsifying loan applications and providing false documentation to support the loan applications. In addition, Gotterup used another person’s social security number in connection with these schemes.

After Hurricane Sandy in 2012, Gotterup also applied for a low-interest disaster relief loan from the U.S. Small Business Administration (SBA), allegedly using false information to support the application. As a result, Gotterup received a loan of \$113,900 from the SBA. Instead of using the funds to repair property damaged in the disaster, Gotterup used the money to pay for personal expenses, including wedding-related expenses in Cancun, Mexico.

“Earlier today SIGTARP agents along with other law enforcement agents arrested Jason Gotterup and David Green, who are charged with a scheme in which they allegedly took advantage of homeowners devastated by the financial crisis by fraudulently misleading those seeking assistance through government mortgage modification programs, including HAMP,” said Special Inspector General Romero for the Troubled Asset Relief Program (SIGTARP). “Gotterup and Green purportedly took thousands of dollars in upfront fees from homeowners, making false promises to provide mortgage modification services. Homeowners were led to believe that they had retained the legal services of an attorney who would handle the application and negotiations with their banks but in reality little or nothing was done to modify their mortgages. SIGTARP will continue to aggressively pursue those who commit TARP-related crimes.”

“These men defrauded distressed homeowners and banks to line their pockets,” stated Acting United States Attorney Currie. “We are committed to ending these types of predatory fraud schemes.” Mr. Currie thanked the U.S. Small Business Administration and the Staten Island District Attorney’s Office for its assistance.

The defendants are scheduled to be arraigned this afternoon before United States Magistrate Judge Orenstein at the federal courthouse in Brooklyn. The charges in the indictment are merely allegations, and the defendants are presumed innocent unless and until proven guilty.

This prosecution was the result of efforts by President Obama’s Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. Attorneys’ Offices and state and local partners, it’s the broadest coalition of law enforcement, investigatory, and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state, and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions, and other organizations. Since fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants, supported by the investigative work of SIGTARP and other law enforcement entities. 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. To date, SIGTARP investigations have yielded more than 200 convictions and resulted in the recovery of over \$2 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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