



SIGTARP

Office of the Special Inspector General
For The Troubled Asset Relief Program

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LONG ISLAND MAN SENTENCED TO 15 YEARS IN PRISON FOR DEFRAUDING HOMEOWNERS IN LOAN MODIFICATION SCHEME

David Gotterup Admitted to Causing More Than \$3.5 Million in Losses

Earlier today, David Gotterup was sentenced at the federal courthouse in Brooklyn, New York, to 15 years in prison for leading a loan modification scheme that defrauded distressed homeowners. Gotterup pleaded guilty on June 16, 2016, to conspiring to commit wire, mail and bank fraud. In addition, as part of the sentence, the Court ordered Gotterup to pay \$2,500,050 in forfeiture. [1]

The sentence was announced by Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), Robert L. Capers, United States Attorney for the Eastern District of New York; William F. Sweeney, Jr., Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI); and David Montoya, Inspector General, U.S. Department of Housing and Urban Development (HUD).

According to public filings, from 2008 to 2012, Gotterup and his co-conspirators made a series of false promises to convince more than a thousand distressed homeowners seeking relief through government mortgage modification programs to pay thousands of dollars each in advance fees to numerous companies owned or controlled by Gotterup, including Express Modifications, Express Home Solutions, True Credit Empire, LLC, Green Group Today, Inc., The Green Law Group, Inc., and JG Group. Among other things, Gotterup directed telemarketers and salespeople to lie to distressed homeowner victims by telling them that they were “preapproved” for loan modifications and that they were retaining a “law firm” and an “attorney” who would complete their mortgage relief applications and negotiate with the banks to modify the terms of their mortgages. Contrary to these representations, Gotterup and his co-conspirators did little or no work in connection with these fraudulently induced advanced fees. Gotterup was arrested in October 2015 and has been incarcerated since then.

In announcing the sentence, Mr. Capers extended his appreciation to the agencies that led the government’s investigation and thanked the U.S. Small Business Administration and the Staten Island District Attorney’s Office for its assistance in the case.

The proceeding took place before United States District Judge Nicholas G. Garaufis. The government’s case is being prosecuted by the Office’s Business and Securities Fraud Unit. Assistant United States Attorneys Sylvia Shweder and Bonni Perlin are in charge of the prosecution.

[1] Restitution pursuant to the Mandatory Victims Restitution Act will be determined at a later date.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets financial institution crime and is an independent watchdog protecting taxpayer dollars. As of February 2, 2017, SIGTARP investigations have resulted in the recovery of \$10 billion to the government and 192 defendants sentenced to prison.

To report a suspected crime related to TARP, call SIGTARP's Crime Tip Hotline: 1-877-744-2009. To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov. Follow SIGTARP on Twitter @SIGTARP.

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