



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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RINGLEADER OF MORTGAGE LOAN MODIFICATION SCHEME SENTENCED TO MORE THAN 9 YEARS IN FEDERAL PRISON

ARIA MALEKI, 33, of Santa Ana, Calif., was sentenced today by U.S. District Judge Stefan R. Underhill in Bridgeport to 112 months of imprisonment, followed by three years of supervised release, for heading a mortgage loan modification scheme that defrauded more than 1,000 struggling homeowners across the United States.

“Aria Maleki stole millions by lying that his companies had ties to HAMP and could offer relief to homeowners struggling to avoid foreclosure,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program. “Every single victim was left worse off; many lost thousands of dollars and some, after promised modifications failed to materialize, lost their homes. Homeowners should be wary of any business charging up-front fees, advertising pre-approval at rates more favorable than industry norms, or offering money-back guarantees.”

“This defendant presided over a scheme that preyed on struggling homeowners in Connecticut and across the United States, falsely offering mortgage relief in exchange for thousands of dollars that the victims clearly could not afford to spend,” said Deirdre M. Daly, U.S. Attorney for the District of Connecticut. “The investigation revealed that the participants in this scheme specifically targeted homeowners who were behind on their mortgage payments, whose homes were ‘under water,’ or who had recently experienced a financial hardship, such as a lost job. This is an appropriate sentence for a defendant who profited handsomely from such heartless, criminal conduct. I thank our federal and state law enforcement partners in New England, New Jersey, California and Oklahoma for investigating this matter, shutting down this scam and bringing those responsible to justice.”

“This sentence should serve as a strong warning about the consequences awaiting those engaged in large-scale financial fraud,” said Terence Opiola, Special Agent in Charge of Homeland Security Investigations (HSI) in Newark. “The organization identified in this case was responsible for harming countless innocent victims. Working with its enforcement partners, HSI will continue to aggressively target thieves to ensure the perpetrators face the full weight of the law.”

“Aria Maleki took advantage of the national mortgage crisis,” said Shelly A. Binkowski, Postal Inspector in Charge for the Boston Division of the U.S. Postal Inspection Service. “This sentencing clearly demonstrates that those who target hardworking homeowners in today’s challenging economy will be held accountable and prosecuted.”

“These arrests clearly demonstrate that those who target hardworking homeowners in today’s challenging economy will be held accountable. I commend the hard work and countless hours put forth by all of the law enforcement agencies involved in this investigation. The U.S. Postal Inspection Service will continue to investigate these crimes to protect consumers and our nation’s mail system from being used for illegal or dangerous purposes.”

“Mr. Maleki, along with his opportunistic criminal cohorts, facilitated a scheme to unjustly enrich themselves through the victimization of hardworking and vulnerable homeowners,” said Christina Scaringi, Special Agent in Charge, HUD OIG, Northeast Region. “The sentencing today is a testament to the unwavering dedication exhibited by law enforcement and the U.S. Attorney’s Office to ensure a swift dose of justice awaits anyone who engages in this kind of unforgivable deception to our homeowners, HUD’s Federal Housing Administration, and mortgage lending institutions. I applaud and commend the hard work and long hours put forth by our law enforcement partners.”

“Aria Maleki deceived and preyed upon innocent homeowners when they were already vulnerable and simply trying to hang on to their homes,” said Leslie DeMarco, Special Agent in Charge, Western Region, Federal Housing Finance Agency – Office of Inspector General. “These despicable schemes victimize homeowners and entire communities, and today Maleki was held accountable for his actions. We are proud to work with our law enforcement partners on this case, and will continue to work with them to bring to justice all individuals who attempt to defraud unwitting victims.”

“Mr. Maleki’s fate, based on his involvement in financial fraud, has been sealed by the court,” said Patricia M. Ferrick, Special Agent in Charge of the New Haven Division of the Federal Bureau of Investigation. “We in Connecticut are very thankful of the incredible work done on this case by law enforcement from across the country.”

According to court documents and statements made in court, MALEKI and others jointly operated a series of California-based companies that falsely purported to provide home mortgage loan modifications and other consumer debt relief services to numerous homeowners in Connecticut and across the United States in exchange for upfront fees. The defendants did business, at various times, as “First Choice Financial Group, Inc.,” “First Choice Financial,” “First Choice Debt,” “Legal Modification Firm,” “National Freedom Group,” “Home Care Alliance Group,” “Home Protection Firm,” “Hardship Center,” “Network Solutions Center, Inc.,” “Premiere Financial Center,” “Premiere Financial,” “Rescue Firm,” “International Research Group LLC,” “Hardship Solutions,” “American Loan Center,” “Loan Retention Firm,” “Clear Vision Financial,” “Green Tree Financial Group,” “Green Tree Financial,” “Enigma Fund, Inc.,” “National Aid Group,” “Southern Chapman Group LLC,” “Save Point Financial,” “Best Rate Financial Solutions,” “Best Rate Financial Solution,” “Best Rate Financial,” “Best Rate Finance Group,” “Nation Star Financial,” and “Nation Star Fin Group.”

Acting as representatives of these entities, MALEKI and his co-conspirators cold-called homeowners and offered to provide mortgage loan modification services to those who were having difficulty repaying their home mortgage loans. The defendants charged homeowners fees that typically ranged from approximately \$2,500 to \$4,300 for their services. To induce homeowners to pay these fees, the defendants falsely represented that the homeowners already had been approved for mortgage loan modifications on extremely favorable terms; the mortgage loan modifications already had been negotiated with the homeowners’ lenders; the homeowners qualified for and would receive financial assistance under various government mortgage relief programs, including the Troubled Asset Relief

Program and the Home Affordable Modification Program; and if for some reason the mortgage loan modifications fell through, the homeowners would be entitled to a full refund of their fees.

In fact, the homeowners had not been preapproved for mortgage loan modifications with lenders, mortgage loan modifications had not been negotiated with the lenders, homeowners had not qualified for and did not receive any financial assistance through government mortgage relief programs, and homeowners did not receive a refund of their fees upon request. Few homeowners ever received any type of mortgage loan modification through the defendants' companies, and few homeowners received refunds of their fees.

Participants in the scheme used pseudonyms and periodically changed their business and operating names to evade detection. The defendants also directed homeowners to mail their checks to addresses and mail boxes that the defendants and their co-conspirators had set up in states other than California. MALEKI presided over the entire structure of this scheme. As a result, more than 1,000 homeowners suffered losses totaling more than \$3 million.

Judge Underhill stated that a restitution order will be entered at a later date.

MALEKI has forfeited approximately \$350,000 that investigators seized from various bank accounts, approximately \$362,000 sized from a Bitcoin account, a \$100,000 cashier's check, and a 2013 Ferrari 458 Italia.

On January 21, 2016, a grand jury in New Haven returned an indictment charging MALEKI and six other California residents with conspiracy and fraud offenses related to this scheme. The defendants were arrested on January 26.

On March 22, 2016, MALEKI pleaded guilty to one count of conspiracy to commit mail and wire fraud. The other six defendants also pleaded guilty and await sentencing.

This matter is being investigated by the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), U.S. Department of Homeland Security – Homeland Security Investigations, U.S. Postal Inspection Service, U.S. Department of Housing and Urban Development – Office of Inspector General, Federal Housing Finance Agency – Office of Inspector General, and Federal Bureau of Investigation, with assistance from the Oklahoma Attorney General's Office.

The case is being prosecuted by Assistant U.S. Attorney Avi M. Perry.

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.

SIGTARP's cross-cutting authority enables us to investigate and conduct oversight over all organizations and individuals involved in TARP programs. Our analytical, experienced-based approach identifies hidden complex crime and we work with the U.S. Department of Justice to hold accountable individuals and institutions that break the law. SIGTARP's oversight prevents fraud and drives improvements in ongoing TARP programs. To date, SIGTARP investigations have resulted in the recovery of \$10.29 billion to the Government and 149 defendants sentenced to prison.

To report a suspected crime related to TARP, call **SIGTARP's Crime Tip Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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