



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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12-YEAR FEDERAL FUGITIVE INDICTED FOR FRAUD AND ID THEFT IN NATIONWIDE FORECLOSURE SCAM

*Defendant Arrested by Canadian Authorities; Allegedly Collected More than \$1 Million from
More than 800 Distressed Homeowners*

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and United States Attorney for the Central District of California André Birotte Jr. today announced that federal authorities have charged a former Los Angeles man with aggravated identity theft and with having operated a foreclosure-rescue scam in Southern California and elsewhere that promised to postpone foreclosure sales for more than 800 distressed homeowners.

Glen Alan Ward, 47, of Canada, was indicted on Friday in the Central District of California on two counts of bankruptcy fraud, one count of mail fraud, and two counts of aggravated identity theft.

In 2000, Ward became a federal fugitive when he failed to appear in court after signing a plea agreement, which stemmed from federal charges in the Central District of California associated with a similar scheme. On April 5, 2012, Ward was arrested in Canada on a U.S. provisional arrest warrant based on the charges in the Central District of California. His extradition to the United States is pending.

“Ward was on the lam for 12 years running from earlier charges of bankruptcy fraud, and it's time he answered for his alleged conduct,” said Christy Romero, Special Inspector General at SIGTARP. “In order to advance his scheme, from at least July 2007 until the time of his arrest in Canada in April, Ward allegedly stole the identities of unsuspecting U.S. taxpayers already in the dire straits of bankruptcy proceedings and exploited civil protections under bankruptcy law to defraud lenders, including multiple TARP recipients, and distressed homeowners facing foreclosure. SIGTARP and our partners in law enforcement will continue to hold accountable those responsible for all fraud related to TARP.”

“Con artists who seek to victimize homeowners in distress are truly shameless,” said U.S. Attorney for the Central District of California André Birotte Jr. “The long arm of the law can and will find and reach such financial pirates wherever they hide, and we will be tireless in our pursuit of justice for the people they victimize.”

Friday's indictment charges the defendant with identity theft and a scheme to defraud that took place from July 2007 to April 5, 2012, while he was a fugitive. According to the indictment, Ward led a scheme that solicited and recruited homeowners whose properties were in danger of imminent foreclosure. Ward allegedly promised to delay their foreclosures for as long as the homeowners could afford his

\$700 monthly fee. Once a homeowner paid the fee, Ward accessed a public bankruptcy database and retrieved the name of an individual debtor who recently filed bankruptcy. The indictment alleges that Ward also obtained a copy of the debtor's bankruptcy petition and directed his clients to execute, notarize, and record a grant deed transferring a 1/100th fractional interest in their distressed home into the name of the debtor he provided. Then, Ward allegedly faxed a copy of the bankruptcy petition, the notarized grant deed, and a cover letter to the homeowner's lender or the lender's representative, directing it to stop the impending foreclosure sale due to the bankruptcy.

Because bankruptcy filings give rise to automatic stays that protect debtors' properties, the receipt of the bankruptcy petitions and deeds in the debtors' names forced lenders to cancel foreclosure sales. The lenders, which included banks that received government funds under the Troubled Asset Relief Program (TARP), could not move forward to collect money that was owed to them until getting permission from the bankruptcy courts, thereby repeatedly delaying the lenders' recovery of their money.

As part of the scheme, Ward delayed the foreclosure sales of approximately 824 distressed properties by using at least 414 bankruptcies filed in 26 judicial districts across the country. During that same period, Ward collected more than \$1 million from his clients who paid for his illegal foreclosure-delay services.

The indictment was announced by Christy Romero, Special Inspector General at SIGTARP; Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division; U.S. Attorney André Birotte Jr. of the Central District of California; and Acting Assistant Director in Charge Timothy Delaney of the FBI's Los Angeles Field Office.

The crime of bankruptcy fraud carries a maximum sentence of five years in prison. Mail fraud carries a maximum sentence of 30 years in prison. Each aggravated identity theft charge carries a two-year mandatory, consecutive sentence.

This case is being prosecuted by Trial Attorney Paul Rosen of the Fraud Section in the Justice Department's Criminal Division and Assistant U.S. Attorney Evan Davis of the U.S. Attorney's Office for the Central District of California. The investigation was conducted by SIGTARP and the FBI, which received substantial assistance from the U.S. Trustee's Office.

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.

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

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