



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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THREE CALIFORNIANS CONVICTED OF OPERATING MULTIMILLION-DOLLAR MORTGAGE MODIFICATION SCAM

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP); Stephanie Yonekura, Acting United States Attorney for the Central District of California; David Bowdich, Assistant Director in Charge of the Federal Bureau of Investigation (FBI) Los Angeles Field Office; Erick Martinez, Special Agent in Charge of the Internal Revenue Service - Criminal Investigation (IRS-CI) Los Angeles Field Office; and Robert Wemyss, Inspector in Charge of the U.S. Postal Inspection Service (USPIS) Los Angeles Division today announced that on June 9, 2015, a federal jury convicted three California residents who worked at a Rancho Cucamonga, Calif., business that offered bogus loan modification programs to thousands of financially distressed homeowners who lost more than \$7 million when they paid for services, including loan modifications, that were never provided.

The three Southland, Calif., residents were associated with a telemarketing operation known under a series of names, including 21st Century Legal Services, Inc., that bilked more than 4,000 homeowners across the nation, many of whom lost their homes to foreclosure.

The defendants convicted yesterday are:

- Christopher Paul George, 45, of Rancho Cucamonga, a co-owner of 21st Century, who was found guilty of one count of mail fraud affecting a financial institution, three counts of wire fraud, two counts of wire fraud affecting a financial institution, and one count of conspiracy to commit mail and wire fraud
- Crystal Taiwana Buck, 40, of Long Beach, a sales “closer,” who was convicted of three counts of mail fraud
- Albert DiRoberto, 62, of Fullerton, who handled both sales and marketing, which included making a commercial for 21st Century and preparing talking points to respond to negative publicity, and who was found guilty of one count of mail fraud affecting a financial institution and two counts of wire fraud affecting a financial institution.

As a result of the guilty verdicts, George faces a statutory maximum sentence of 170 years in federal prison, Buck faces a statutory maximum sentence of 60 years in federal prison, and DiRoberto faces a statutory maximum sentence of 90 years in federal prison. All three defendants are scheduled to be sentenced on August 31, 2015, by United States District Judge Virginia A. Phillips.

With yesterday’s guilty verdicts, a total of 11 defendants linked to 21st Century have been convicted of federal fraud charges as a result of an investigation conducted by SIGTARP, the FBI, IRS-CI, USPIS, and the Federal Housing Finance Agency Office of Inspector General.

During an 18-month period that began in the middle of 2008, a Rancho Cucamonga woman – Andrea Ramirez, 47, who previously pleaded guilty to conspiracy to commit mail fraud and wire fraud – operated 21st Century, which defrauded financially distressed homeowners by making false promises and guarantees regarding 21st Century’s ability to negotiate loan modifications for homeowners. Employees of 21st Century made numerous misrepresentations to victims during the course of the scheme, including falsely telling victims that 21st Century was operating a loan modification program sponsored by the United States government. Victims were generally instructed to stop communicating with their mortgage lenders and to cease making their mortgage payments.

George was a co-owner of 21st Century who acted as a sales manager for the company and ran his own sales office there for several months. George instructed 21st Century employees to make misrepresentations to distressed homeowners, including guaranteeing that 21st Century would obtain loan modifications and telling homeowners that payments made to 21st Century would go towards homeowners’ mortgages.

Ramirez, 21st Century co-owner George, and the other 21st Century employees contacted distressed homeowners through cold calls, newspaper ads, and mailings, and the company controlled websites that advertised loan modification services. Once they contacted the distressed homeowners, according to the evidence presented at trial, Ramirez and other 21st Century employees often falsely told clients that the company was operating through a federal government program, that they would be able to obtain new mortgages with specific interest rates and reduced payments, and that attorneys would negotiate loan modifications with their lenders. Ramirez and other 21st Century employees regularly instructed financially distressed homeowners to cease making mortgage payments to their lenders and to cut off all contact with their lenders because they were being represented by 21st Century. On some occasions, Ramirez and other 21st Century employees would tell homeowners that 21st Century was using the fees paid by the homeowner to make mortgage payments, when in fact Ramirez, George, and their co-defendants were simply pocketing the homeowners’ money.

“George, the owner of 21st Century, and his co-conspirators were convicted today following a five-week jury trial for swindling more than 4,000 struggling homeowners out of approximately \$7 million using deceit and lies to obtain money for loan modifications which were represented as being affiliated with federal housing aid programs,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “The defendants’ sole goal was getting money from homeowners, and they did and said whatever it took to make that happen. SIGTARP and our law enforcement partners will put an end to schemes that prey on struggling homeowners by falsely claiming to be associated with TARP’s housing programs, and perpetrators of such schemes will be brought to justice for their crimes.”

“Members of the conspiracy preyed upon homeowners who were in desperate financial straits by making promises they had no intention of keeping,” said Acting United States Attorney Stephanie Yonekura. “The impact on victim homeowners across the country was severe, and it’s gratifying to see justice served in this case.”

The jury that returned guilty verdicts also acquitted George of four counts, and Buck and DiRoberto were found not guilty of eight counts.

In addition to Ramirez and the three defendants found guilty yesterday, seven other California residents previously pleaded guilty. They are:

- Michael Bruce Bates, 64, of Moreno Valley
- Michael Lewis Parker, 37, of Pomona
- Catalina Deleon, 38, of Glendora
- Hamid Reza Shalviri, 53, of Montebello
- Yadira Garcia Padilla, 38, of Rancho Cucamonga
- Mindy Sue Holt, 55, of San Bernardino
- Iris Melissa Pelayo, 45, of Upland

Ramirez and the other defendants who previously pleaded guilty are scheduled to be sentenced by Judge Phillips over the coming months.

This case was prosecuted by Assistant U.S. Attorneys Thomas Stout, Tritia L. Yuen, and Aron Ketchel in the Central District of California.

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 and co-chairs the Rescue Fraud Working Group. To learn more about the President's Financial Fraud Enforcement Task Force, visit www.StopFraud.gov.

About SIGTARP

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