



# 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**

Tuesday, October 20, 2015

Media Inquiries: 202-927-8940

Twitter: @SIGTARP

Web: [www.SIGTARP.gov](http://www.SIGTARP.gov)

## 21<sup>st</sup> CENTURY MORTGAGE MODIFICATION SCAMMER SENTENCED TO FEDERAL PRISON AND TO PAY OVER \$6 MILLION IN RESTITUTION

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP) announced that Michael Bruce Bates, of Moreno Valley, Calif., who worked at a Rancho Cucamonga, Calif. based business that offered bogus loan modifications, was sentenced to federal prison for one year and one day, and to pay restitution of over \$6 million.

“Bates, a sales employee at 21st Century who pled guilty to fraud, knew 21st Century targeted financially distressed homeowners, and as part of the sales pitch would make numerous misrepresentations to entice homeowners to pay 21<sup>st</sup> Century, including that 21st Century would make their mortgage payments to their mortgage lenders,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). “As part of the fraud, he went so far as to go to a victim’s house to execute a grant deed and then did not use any payments from the victim to make mortgage payments to the lender, who foreclosed on the property and evicted the victim. Homeowners can obtain free help with their mortgage modifications under TARP’s HAMP (Home Affordable Modification Program). Beware of mortgage modification schemes where you are told to pay upfront fees on your mortgage to the scammers. These fraudsters, who are usually not attorneys, will lie to homeowners about modifications and other legal matters in order to obtain the homeowners’ mortgage payments; payments that will never be used to pay mortgages but will go straight into the pockets of scammers. SIGTARP stands united with our law enforcement partners to stop all TARP-bailout related crime.”

### 21<sup>st</sup> Century

A total of 11 defendants linked to 21st Century have been convicted of federal charges involving fraud against more than 4,000 homeowners across the nation, many of whom lost their homes to foreclosure.

Previously, Christopher George, a co-owner of 21st Century, was sentenced to 20 years in federal prison; Crystal Buck, a sales “closer” who persuaded numerous victims to pay fees to 21<sup>st</sup> Century received a sentence of five years; Albert DiRoberto, handled sales and marketing – which included making a commercial for 21st Century and preparing talking points to respond to negative publicity – was sentenced to five years in prison; and Yadira Padilla, who handled client complaints and refund requests, and who posted bogus reviews of the company on the internet – was sentenced to four years in prison.

During a 15-month period that began in the middle of 2008, Andrea Ramirez, 47, who previously plead guilty to fraud charges – 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.

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, 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. 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, 21st Century employees told homeowners that 21st Century was using the fees paid by the homeowner to make mortgage payments, when the criminals simply were pocketing the homeowners’ money.

This case is a result of an investigation conducted by SIGTARP with the Federal Bureau of Investigation, IRS Criminal Investigation division, the United States Postal Inspection Service, and the Federal Housing Finance Agency, Office of Inspector General.

#### Financial Fraud Enforcement Task Force

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, please visit [www.StopFraud.gov](http://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 \$2.4 billion to the Government.

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

To receive alerts about quarterly reports, new audits, and media releases issued by SIGTARP, sign up at [www.SIGTARP.gov/pages/press.aspx](http://www.SIGTARP.gov/pages/press.aspx). Follow SIGTARP on Twitter @SIGTARP.