



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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OPERATORS OF CALIFORNIA-BASED MORTGAGE MODIFICATION SCAM PLEAD GUILTY TO CONSPIRACY TO COMMIT FRAUD

WASHINGTON, DC – The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and the United States Attorney for the Southern District of California Laura E. Duffy today announced that three individuals pled guilty yesterday in federal court in San Diego, California, to charges of conspiracy to commit wire fraud and mail fraud for their roles in operating a fraudulent mortgage loan modification business in San Diego.

According to the plea agreements, Ziad Nabil Mohammed Al Saffar and Sara Beth Bushore Rosengrant admitted that they operated the fraudulent loan audit and modification business, located in San Diego, California, under the names “Compliance Audit Solutions, Inc.” (“CAS”) and CAS Group, Inc., (“CAS Group”). Daniel Al Saffar admitted that he worked as a sales representative in connection with the operation.

According to court documents, the defendants targeted homeowners who were unable to afford their mortgage payments and falsely advertised to them that CAS and CAS Group were affiliated with the federal government. The defendants admitted to using false and fraudulent statements and representations to induce customers to purchase an “audit” of their home mortgage loans, supposedly to identify “violations” in the loan documents that could then be used to force banks to renegotiate their loans. The audit fees ranged from \$995 to \$3,500.

According to court records, among the misrepresentations made to customers were claims that CAS and CAS Group were affiliated with the United States Department of Housing and Urban Development (HUD), that they were participating in a federal program called “Hope for Homeowners,” that the audit fees were tax deductible, and that CAS and CAS Group had an “attorney” on staff who could finalize negotiations with banks on behalf of homeowners. The indictment further alleged that, as part of the conspiracy, the defendants fraudulently induced certain homeowners to make payments to CAS or CAS Group by falsely promising that such “good faith” payments were necessary to reduce their loan balance and interest rate, and that those payments would be kept in an “escrow account” by CAS or CAS Group. The false representations also included telling homeowners that banks demanded a “settlement fee” in order to modify a first mortgage and eliminate a second mortgage; that a one-time payment to cover taxes and insurance on the property was needed; and that the homeowners should make their monthly mortgage payments to CAS or CAS Group, instead of to their lender, and that the funds would be held in an escrow account for the benefit of a new lender.

As part of their plea agreements, the defendants agreed to pay restitution to the victims of their criminal conduct to be determined by the Court. Each defendant also agreed to make a restitution payment in an amount of \$30,000 prior to the sentencing hearing. Today's guilty pleas are subject to final acceptance by United States District Court Judge Anthony J. Battaglia at or before sentencing. The sentencing hearing is scheduled for April 27, 2012, at 12:00 p.m. Eastern, before Judge Battaglia.

This case is the product of an investigation by agents of SIGTARP and the Federal Bureau of Investigation and is being prosecuted in San Diego federal court by Assistant United States Attorney Joseph S. Green.

Advice from federally-approved housing counselors is free, as are mortgage modifications under the Home Affordable Modification Program (HAMP). HAMP, the federal program established to provide support to homeowners, is funded by TARP. For more information, visit www.makinghomeaffordable.gov.

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.

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