



# 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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Media Inquiries:

202-927-8940

## OPERATORS OF CALIFORNIA-BASED MORTGAGE MODIFICATION SCAM SENTENCED FOR 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 charged with conspiracy to commit wire fraud and mail fraud for their roles in operating a mortgage loan modification scam were sentenced Friday in federal court in San Diego.

United States District Court Judge Anthony J. Battaglia sentenced Ziad Nabil Mohammed Al Saffar to serve 21 months in federal prison and Sara Beth Bushore Rosengrant to serve 12 months home detention as a part of a three-year term of probation. In their guilty pleas, each admitted that they operated the loan audit and modification scam, located in San Diego, 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 and was sentenced to serve six months home detention as a part of a three-year term of probation. The Court also ordered the defendants to pay restitution to the victims of their criminal conduct. Each defendant made a restitution payment in an amount of \$30,000 prior to Friday's sentencing hearing. As a part of his plea agreement, Ziad Nabil Mohammed Al Saffar, who is not a citizen of the United States, stipulated to being deported following the completion of his sentence.

"These sentencings are the result of a fraud scheme that specifically targeted the most vulnerable homeowners struggling to cope with the collapse in the housing market," said Christy Romero, Special Inspector General at SIGTARP. "Ziad al Saffar, Sara Beth Rosengrant, and Daniel al Saffar mass marketed their scam with Web sites such as [www.HAMPnow.org](http://www.HAMPnow.org) as if it were affiliated with HAMP and other federal mortgage aid programs. That reassurance was nothing more than a lie to dupe victims out of what little money they had left and is evident of a profound disrespect for those suffering through and bearing the brunt of the housing crisis. SIGTARP and its law enforcement partners will continue to pursue TARP-related fraud and bring accountability to American taxpayers."

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.

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 U.S. Attorney Joseph S. Green.

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

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