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SIX CHARGED IN $33 MILLION MORTGAGE MODIFICATION SCAM

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Carlie Christensen, United States Attorney for the District of Utah, today announced that a 40-count federal indictment unsealed on March 5, 2015, in U.S. District Court in Salt Lake City charges six individuals with violations of federal law in what the indictment alleges was a scheme to market and sell home loan modification services to distressed homeowners trying to save their homes from foreclosure following the financial crisis of 2008. Investigators believe the alleged scheme involved more than 10,000 victims in nearly every state in the country with losses of more than $33 million.

Charged in the indictment are Chad Gettel, age 39, of Salt Lake City; John McCall, age 43, of Park City, Utah; Noemi Lozano aka "Noemi Sayama," age 24, of San Diego, Calif.; Sheridan Black, age 66, of South Jordan, Utah; James Scott Creasey, age 36, of Riverton, Utah; and Jeremiah Barrett, age 33, of Bountiful, Utah. Charges in the indictment include conspiracy, mail fraud, wire fraud, telemarketing fraud, conspiracy to commit money laundering, and money laundering.

The indictment alleges that the object of the conspiracy for the defendants was to market and sell loan modification services using false and fraudulent pretenses to obtain money from customers and to enrich themselves.

"SIGTARP participated in the arrests of Chad Gettel, John McCall, and four co-conspirators for operating what the government alleges is an extensive and pervasive mortgage modification fraud scheme that took advantage of homeowners struggling from our nation's housing crisis," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Gettel and McCall are accused of using the banner of a law firm to defraud more than 10,000 struggling homeowners residing in nearly every state out of more than $33 million. SIGTARP and our law enforcement partners are shutting down mortgage modification fraud – a reprehensible crime that preys upon struggling homeowners who are seeking help from HAMP because they are desperate to save their homes from foreclosure and keep a roof over their families' heads."

"The defendants in this case allegedly represented that CC Brown was a business comprised of successful lawyers who targeted individual homeowners with the false promise of quality legal representation and legitimate loan modifications," said U.S. Attorney Christensen. "Their scheme allegedly took advantage of these vulnerable homeowners who were desperate to secure some financial relief and save their homes, but ended up in even deeper financial trouble. The indictment makes clear that anyone contemplating similar crimes will be investigated and prosecuted and warns potential victims to be extremely cautious before paying fees to anyone offering financial rescue."

According to allegations in the indictment, Gettel and Lozano started their loan modification business in July 2009 and set up CC Brown Law LLC. They hired attorneys to create the false impression that their loan modification business was a law firm. According to the indictment, attorneys provided little to no actual legal services for individual customers, while misrepresenting to the public that the attorneys were providing the core legal services for which the customers were paying. In fact, the indictment alleges, non-attorney "processors" and telemarketers working for them performed most if not all of the work for customers seeking loan modifications.

In August 2009, according to allegations in the indictment, Gettel obtained information about homeowners who were delinquent on their mortgage payments and hired third parties, including a telemarketing center in California, to market his loan modification business to these homeowners. Telemarketers pitched CC Brown using false and misleading statements Gettel provided them, including statements that CC Brown had a 90 percent success rate in obtaining loan modifications, offered a money back guarantee on obtaining a successful loan modification, and that CC Brown's attorneys would provide the loan modification work.

Other misleading statements the defendants caused telemarketers to make to customers included that loan modifications typically occurred in four months, that their attorneys had over 100 years combined experience in real estate law, and that they had obtained over 6,000 successful loan modifications and averaged 300-400 successful loan modifications per month. Customers relied on these misleading and fraudulent statements in purchasing the services of the loan modification businesses, the indictment alleges. Gettel and McCall eventually instructed the telemarketers to sign up every potential customer who called regardless of whether the customer qualified for a home loan modification.

Gettel hired McCall around January 2010. Around April 2010, Gettel and McCall created in-house teams of telemarketers in Utah. Black and Barrett joined CC Brown to work in the Utah telemarketing center. Creasey joined CC Brown in early 2011. Black, Barrett, and Creasey eventually managed or supervised the Utah-based telemarketing operation, the indictment alleges.

Complaints to state and federal agencies in Utah and other states reflected a pattern of fraudulent conduct. Customers would go for months without knowing the status of their loan modification, and those who were already in default continued to receive letters and phone calls from the lender or debt collector. In some instances, customers lost their homes to foreclosure while still waiting for word on their loan modification from CC Brown.

Gettel is charged in all 40 counts of the indictment. McCall is charged in counts 1-5 and 7-40 (39 counts). Lozano is charged in counts 1 and 6. Creasey is charged in count 1 and counts 14-17 (5 counts). Barrett is charged in count 1 and counts 18-22 (6 counts), and Black is charged in count 1 and counts 23-29 (8 counts). The potential maximum penalties for the counts charged in the indictment include up to 30 years for each count of conspiracy, mail fraud, and wire fraud; a term of up to 10 years for the telemarketing fraud allegation; up to 20 years for conspiracy to commit money laundering; and up to 10 years for each count of money laundering.

Indictments are not findings of guilt. Individuals charged in indictments are presumed innocent unless or until proven guilty in court.

This case is being investigated by SIGTARP, the Internal Revenue Service - Criminal Investigation, the Federal Bureau of Investigation, the Office of Inspector General Board of Governors of the Federal

Reserve System and Consumer Financial Protection Bureau, and the Federal Housing Finance Agency Office of Inspector General.

The case is being prosecuted by the United States Attorney's Office for the District of Utah.

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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