



**FOR IMMEDIATE RELEASE**

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## SEVEN CALIFORNIANS INDICTED FOR DEFRAUDING TARP BANKS IN \$3 MILLION MORTGAGE FRAUD CONSPIRACY

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP); Benjamin B. Wagner, United States Attorney for the Eastern District of California; Wade Walters, Special Agent in Charge of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG); Birgit Fladager, Stanislaus County (Calif.) District Attorney; and Leslie DeMarco, Special Agent in Charge of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG), today announced that a federal grand jury returned a 15-count indictment on June 25, 2015, against seven residents of California, charging them with conspiracy to commit mail fraud and bank fraud, mail fraud and aiding and abetting, and making false statements to a bank in a mortgage fraud scheme.

Jyoteshna Karan, 43, and Praveen Singh, 36, were arrested this morning at their home in Modesto. Mahendra Prasad, 53, was arrested this morning at his home in Fremont. The remaining defendants each received a summons to appear for arraignment: Phul Singh, 79, and Sunita Singh, 60, both of Modesto; Nani Isaac, 69, of Ceres; and Martin Bahrami, 42, of Turlock.

According to court documents, the defendants conspired to defraud mortgage lending companies and financial institutions by making false statements on loan applications and short-sale applications in order to obtain properties under their names and the names of others. The false statements included statements relating to the defendants' employment, their familial relationship, income, and their intent to occupy the home as their primary residence.

According to the indictment, the conspiracy encompassed at least 25 properties from Sacramento to Modesto. As a result of the scheme, lenders lost in excess of \$3 million.

"Early this morning, SIGTARP agents and our law enforcement partners arrested or served summons on seven individuals who stand charged with operating a fraud scheme that cost financial institutions, including multiple TARP banks, millions of dollars in losses," said Christy Romero, Special Inspector General for TARP. "The seven allegedly conspired to falsify information on mortgage loan and short-sale applications submitted to multiple financial institutions in order to obtain properties across Eastern California. SIGTARP and our law enforcement partners will aggressively investigate allegations of fraud perpetrated at the expense of taxpayers' TARP bank investments and bring accountability to those who engage in these schemes."

Jyoteshna Karan and Praveen Singh are scheduled to appear for arraignment in U.S. District Court in Fresno, on Friday, June 26, 2015, before U.S. Magistrate Judge Gary Austin. Phul Singh, Sunita Singh,

Nani Isaac, and Martin Bahrami are scheduled to appear for arraignment in U.S. District Court in Fresno, on Wednesday, July 1, 2015, before U.S. Magistrate Judge Gary Austin. Mahendra Prasad is scheduled to appear in U.S. District Court in San Jose, on June 26, 2015, for arraignment.

If convicted, each defendant faces a maximum statutory penalty of 30 years in prison and a \$1 million fine per count. Any sentence, however, would be determined at the discretion of the court after consideration of any applicable statutory factors and the Federal Sentencing Guidelines, which take into account a number of variables. The charges are only allegations; the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

This case is the product of an investigation by SIGTARP, the Stanislaus County District Attorney's Office, the Federal Bureau of Investigation, FHFA-OIG, and FDIC-OIG. Assistant United States Attorneys Mark E. Cullers and Patrick Delahunty are prosecuting the case.

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](http://www.StopFraud.gov).

#### **About SIGTARP**

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