



SIGTARP

Office of the Special Inspector General
For The Troubled Asset Relief Program

FOR IMMEDIATE RELEASE

Wednesday, July 19, 2017

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FRAUDSTERS SENTENCED TO FEDERAL PRISON FOR OPERATING NATIONWIDE HOME MORTGAGE SCAM

*Defendants Preyed Upon Thousands of Desperate Homeowners Taking Money in
Exchange for Empty Promises of Admission into HAMP*

Three California residents were sentenced today to a combined 39 years in prison for their roles in a nationwide, multi-year “home mortgage modification” fraud that scammed thousands of vulnerable victims out of at least \$11 million.

Sammy Araya, 41, of Santa Ana, was sentenced to 20 years, Michael Henderson, 49, of Costa Mesa, was sentenced to 12 years, and Jen Seko, 36, of Anaheim, was sentenced to 7 years in prison, respectively. All three defendants were convicted by a federal jury on April 21, of multiple counts of mail fraud, wire fraud, and conspiracy to commit mail and wire fraud.

“For Sammy Araya, Michael Henderson, and Jen Seko, the financial struggles of more than 3,000 homeowners were an opportunity for theft,” said Special Inspector General Christy Goldsmith Romero. “Home Affordable Modification Program (HAMP) crime is particularly despicable because it targets vulnerable homeowners at risk of foreclosure. The scheme of ringleader Araya and his co-conspirators Henderson and Seko involved mailing to homeowners that faced foreclosure hundreds of thousands of deceptive and misleading mass mailers that touted help with the HAMP program. They took more than \$11 million, yet only provided empty promises of admission into HAMP. Araya bragged about obstructing the criminal investigation and when caught, all showed no remorse or contrition for the crimes they committed and the victims they defrauded. I thank U.S. Attorney Boente and his team for their hard work and commitment in ensuring these defendants got the justice they deserved.”

According to court documents, from at least March 2011 through September 2014, Araya and his co-conspirators targeted struggling homeowners and made a series of misrepresentations to induce them to make payments of thousands of dollars each in exchange for supposed “mortgage modification” assistance. The conspirators lured vulnerable victims into the scam through targeted mass mailers sent to homeowners facing foreclosure through Seko’s company, Seko Direct Marketing. In the mailers and in subsequent phone calls, the defendants and their co-conspirators falsely held themselves out as a non-profit organization or as affiliated with a real government program, the Home Affordable Modification Program, designed to help homeowners at risk of foreclosure. Henderson and other “customer service representatives” in the scam convinced victims to send “reinstatement fees” and “trial mortgage payments” to the conspiracy, based on the false representations that the funds would be used to modify their mortgages. In reality, however, the defendants did nothing to help modify any mortgages. Instead,

they used the victims' payments for their own personal benefit and to further the fraud scheme. Araya, the ringleader of the scam, used the fraud proceeds to purchase expensive vehicles, a racehorse, and a variety of luxury goods, as well as to fund his personal travel and a reality television show he produced called "Make It Rain.TV."

This scheme had devastating consequences for the victim homeowners, all of whom were already in a precarious financial position. Many victims suffered substantially greater financial hardship after falling victim to this conspiracy than they were already facing when they entered into the bogus agreements with the conspirators. In many cases, the lenders ultimately foreclosed on the victims' homes, after the victims had been induced to make their "trial mortgage payments" to the members of the conspiracy rather than to their lenders.

Twelve defendants have been convicted in the Eastern District of Virginia in this case and a related case in connection with this same scam. They include the following individuals:

Name, Age Hometown	Conviction	Sentence
Sammy Araya, 41 Santa Ana, California	Convicted on Counts 1-11 of superseding indictment on April 2	Sentenced to 20 years today
Michael Henderson, 49 Costa Mesa, California	Convicted on Counts 1-6 and 9-11 of superseding indictment on April 21	Sentenced to 12 years today
Jen Seko, 36 Anaheim, California	Convicted on Counts 1-6 and 9-11 of superseding indictment on April 21	Sentenced to 7 years today
Roscoe Umali, 38 Santa Ana, California	Pleaded guilty March 22, 2016	220 months in prison on Aug. 18, 2016
Joshua Sanchez, 37 Las Vegas, Nevada	Pleaded guilty July 8, 2015	151 months in prison on Oct. 29, 2015
Kristen Ayala, 32 Las Vegas, Nevada	Pleaded guilty August 4, 2015	135 months in prison on Oct. 29, 2015
Isaac Perez, 33 Los Angeles	Pleaded guilty March 30, 2016	130 months in prison on Sept. 1, 2016
Joshua Johnson, 36 Huntington Beach, California	Pleaded guilty March 30, 2016	121 months in prison on July 7, 2016
Jefferson Maniscan, 34 Los Angeles	Pleaded guilty March 29, 2016	120 months in prison on Aug. 18, 2016
Nicholas Estilow, 34 Mission Viejo, California	Pleaded guilty January 18	80 months in prison on June 1
Raymund Dacanay, 47 Newport Beach, California	Pleaded guilty March 29, 2016	60 months in prison on July 21, 2016
Sabrina Rafo, 24 Garden Grove, California	Pleaded guilty January 19	60 months in prison on June 1

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets financial institution crime and is an independent watchdog protecting taxpayer dollars. As of June 16, 2017, SIGTARP investigations have resulted in the recovery of \$10 billion to the government and 213 defendants sentenced to prison.

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