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## MARYLAND MAN SENTENCED TO FEDERAL PRISON FOR DEFRAUDING THOUSANDS OF HOMEOWNERS IN \$4 MILLION NATIONWIDE HOME LOAN MODIFICATION SCAM

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP); David A. O'Neil, Acting Assistant Attorney General of the U.S. Department of Justice's Criminal Division; and Carmen M. Ortiz, U.S. Attorney for the District of Massachusetts, today announced that a Maryland man was sentenced on Thursday to serve one year and a day in federal prison for defrauding thousands of homeowners in a \$4 million nationwide home loan modification scheme.

Brian Kelly, 37, of Forest Hill, Md., was sentenced by U.S. District Court Judge Rya W. Zobel of the District of Massachusetts and also ordered to serve three years of supervised release following his prison term. Restitution will be determined at a later date. Kelly pleaded guilty on May 2, 2013, to one count of conspiracy, nine counts of mail fraud, and nine counts of wire fraud.

"Kelly was a chief telemarketer at 'HOPE' and was on the frontline defrauding struggling homeowners out of their homes, making false promises, and taking what precious, little savings they had left," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Kelly and his colleagues, many of whom he trained, duped thousands of distressed homeowners into paying upfront fees of \$400 to \$2000 in exchange for 'software licenses' and 'do-it-yourself' mortgage loan modification applications that were essentially the same as the free applications available through TARP's housing program, HAMP. Victim homeowners nationwide were cheated out of more than \$4 million by Kelly's cruel, misleading reassurances of HOPE's near '100 percent success rate' in obtaining modifications; pledges of money-back guarantees in the 'remote' chance that an application was denied; and false exclamations like, 'Congratulations, you've been approved!' SIGTARP will bring justice to all those who exploit the federal government's response to the financial crisis."

According to court records, Kelly and others, operating under the name Home Owners Protection Economics Inc. (HOPE), made a series of misrepresentations to induce struggling homeowners to pay HOPE \$400 to \$2,000 in up-front fees in exchange for HOPE's help obtaining federally funded home loan modifications. Kelly was one of HOPE's more successful salespeople, receiving approximately \$24,000 after arranging fraudulent home loan modifications totaling approximately \$180,000.

Also according to court documents, the conspirators misrepresented that, with HOPE's assistance, the homeowner was guaranteed to receive a loan modification under the Home Affordable Modification Program (HAMP), which is part of the Troubled Asset Relief Program (TARP) and is a federally funded mortgage-assistance program. For example, the defendants routinely claimed that the homeowner had

already been approved for a loan modification, provided phony “approval codes,” quoted new (and wholly fictitious) mortgage terms and due dates, touted their 98 percent past success rate and claimed that they were “underwriters” or were otherwise affiliated with the homeowners’ mortgage companies. HOPE also claimed that it would offer homeowners refunds in the unlikely event that they did not receive a loan modification.

According to court documents, in exchange for the up-front fees, HOPE sent its customers, including homeowners in Massachusetts, a do-it-yourself application package, which was virtually identical to the application that the government provides free of charge. The HOPE customers had no advantage in the application process, and, in fact, most of their applications were denied. Through these misrepresentations, HOPE was able to persuade thousands of homeowners to pay more than \$4 million in fees.

Two co-defendants, Christopher S. Godfrey, 44, of Delray Beach, Fla., and Dennis Fischer, 42, of Highland Beach, Fla., were convicted after trial and were each sentenced on Feb. 20, 2014, to serve seven years in federal prison. A third co-defendant, Vernell Burriss, Jr., 54, of Coconut Creek, Fla., pleaded guilty and was sentenced on Feb. 25, 2014, to serve a year and a day in federal prison.

The case was investigated by SIGTARP and is being prosecuted by Senior Trial Attorney Mona Sedky of the Justice Department Criminal Division’s Computer Crime and Intellectual Property Section and Assistant U.S. Attorney Adam Bookbinder in the District of Massachusetts Computer Crimes Unit.

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**

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