



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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THREE CHARGED IN NEW YORK WITH MULTIMILLION DOLLAR SCHEME TO DECEIVE HOMEOWNERS INTO SELLING DISTRESSED PROPERTIES *TARP banks deceived in years-long campaign of lies*

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Preet Bharara, United States Attorney for the Southern District of New York, announced Tuesday that Samantha Boubert, Christine Maharaj, and Owen Reid were taken into custody this week for participating in a scheme to fraudulently induce distressed homeowners to sell their homes to a company associated with the defendants.

“As part of TARP, the government implemented the Making Home Affordable (MHA) program which contains many free mortgage assistance programs for distressed homeowners,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). “For homeowners seeking mortgage modifications, the Home Affordable Mortgage Program (HAMP) is available, and like the other government programs, it is free to apply. Homeowners need to avoid anyone asking to take the title to their home, or selling their home as part of a loan modification or assistance program.”

“As alleged, these defendants preyed upon distressed homeowners and, through lies and front companies, tricked people into giving up their homes,” said Preet Bharara, U.S. Attorney for the Southern District of New York. “The damage allegedly caused by these defendants went far beyond financial harm; as charged, their schemes often resulted in victims being evicted from their homes.”

According to the allegations in the Complaint¹ unsealed yesterday in Manhattan federal court:

From January 2013 through May 2015, Samantha Boubert, Christine Maharaj, Owen Reid and others, (collectively, the “Hillside Fraud Team” due to primary operations at a Hillside Avenue address) targeted distressed homeowners in the New York City area, including the Bronx, Brooklyn, and Queens. The Hillside Fraud Team tricked and coerced homeowners into selling or deeding their properties to a business they controlled.

The Hillside Fraud Team sent mailings to the owners of distressed properties on the letterhead of the Homeowners Assistance Services of New York (“HASNY”), inviting the homeowners to seek assistance from HASNY to avoid foreclosure and save their homes. The Hillside Fraud Team also hired

¹ As the introductory phrase signifies, the entirety of the text of the Complaint, and the description of the Complaint set forth herein, constitute only allegations, and every fact described should be treated as an allegation.

telemarketers to contact homeowners and to invite them to meet with HASNY representatives to learn more about avoiding foreclosure.

Reid and others trained and directed the telemarketers to appeal to the emotions of the owners of distressed properties. They developed a script for telemarketers to use in their calls, which included, in substance, a statement that a short sale would be a means for homeowners to lower their monthly payments and still remain in their homes.

Many of the homeowners who sought assistance from HASNY met with a member of the Hillside Fraud team, who typically advised the homeowner that HASNY could assist him or her with a loan modification. In other cases, homeowners were advised that a loan modification could not be completed, but a particular type of short sale could be arranged in which the homeowner would sell the property to a third party, Launch Development, and then a relative of the homeowner could repurchase the property from Launch Development within 90 days. Homeowners typically were told they could remain in their homes throughout the entire process. Reid and Maharaj both participated in these meetings.

After an initial meeting with homeowners, a closing typically was scheduled during which the homeowner would meet with another co-conspirator who was described as the homeowner's attorney for the transaction. The homeowners, who had been led to believe that they were about to receive a loan modification or would be able to transfer their property to a trusted relative, were encouraged to sign documents, which in some cases were blank. Unbeknownst to the homeowners, by signing some of those documents, they were agreeing to sell their homes to a Hillside Business – often Launch Development – and would be forced to vacate their homes soon thereafter.

As part of the fraud, the Hillside Fraud Team often used Uniform Commercial Code liens to coerce victims into participating in these deals. Boubert filed liens on homeowner properties, even when those homeowners owed no debt to a Hillside Business.

After purchasing a property from a homeowner, members of the Hillside Fraud Team typically appeared at the homeowner's residence and demanded that the homeowner vacate the premises, or commenced eviction proceedings against the homeowner, or both.

The Hillside Fraud Team generated millions of dollars as a result of their fraudulent scheme.

Boubert, Maharaj and Reid are each charged with one count of conspiracy to commit wire fraud and bank fraud, which carries a maximum term of 30 years in prison. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Amir Meiri, Mario Alvarenga, and Rajesh Maddiwar have previously been charged in the Southern District of New York in connection with the Hillside Fraud, in the case *United States v. Alvarenga, et al.*, 15 Cr. 627 (ER).

U.S. Attorney Bharara praised the outstanding work of SIGTARP, the FBI, and the New York State Department of Financial Services for their investigative efforts and ongoing support and assistance with the case.

The prosecution of this case is being overseen by the Office's General Crimes Unit. Assistant U.S. Attorneys Jaimie L. Nawaday and Andrew M. Thomas are in charge of the case.

The charges contained in the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program was created as an independent law enforcement agency to investigate fraud, waste, and abuse related to the TARP bailout. To date, SIGTARP investigations have resulted in the recovery of over \$2.48 billion to the Government and 135 defendants sentenced to prison.

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