



SIGTARP

OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

FOR IMMEDIATE RELEASE

Tuesday, November 24, 2015

Media Inquiries: 202-927-8940

Twitter: @SIGTARP

Web: www.SIGTARP.gov

CALIFORNIA MORTGAGE MODIFICATION SCAMMER SENTENCED TO SIX YEARS IN FEDERAL PRISON AND PAYMENT OF OVER \$6 MILLION IN RESTITUTION

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP) announced that Michael Lewis Parker, of Pomona, Calif., who worked at a Rancho Cucamonga, Calif. based business that offered bogus loan modifications was sentenced in California yesterday to serve a federal prison term of six years, and to pay restitution of over \$6 million.

“Michael Lewis Parker, as a 21st Century salesman, lured in distressed homeowners with a money-back guarantee and by convincing them that the company employed a team of lawyers who would ensure a successful mortgage modification,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). “Parker and his co-conspirators used a variety of means to deceive homeowners and string homeowners along, including filing for bankruptcy, charging legal fees for services not performed, collecting mortgage payments that were never provided to lenders, and directing homeowners to cease communications with their lender. Claiming to be associated with a loan modification program sponsored by the U. S. government, Parker and others defrauded over 4,000 homeowners, many of whom ultimately lost homes to foreclosure, out of more than \$7 million. It is fitting that these criminals will serve time in federal prison and will have ample opportunity to reflect on the pain and suffering inflicted on so many innocent citizens already strained by the financial crisis. SIGTARP stands united with our law enforcement partners to stop all TARP-bailout related crime.”

21st Century

A total of 11 defendants linked to 21st Century have been convicted of federal charges involving fraud against more than 4,000 homeowners across the nation, many of whom lost their homes to foreclosure.

Previously, Christopher George, a co-owner of 21st Century, was sentenced to 20 years in federal prison; Crystal Buck, a sales “closer” who persuaded numerous victims to pay fees to 21st Century received a sentence of five years; Albert DiRoberto, handled sales and marketing – which included making a commercial for 21st Century and preparing talking points to respond to negative publicity – was sentenced to five years in prison; Yadira Padilla, who handled client complaints and refund requests, and who posted bogus reviews of the company on the internet – was sentenced to four years in prison, and Michael Bates, a sales employee for the company was sentenced to one year and one day in prison.

During a 15-month period that began in the middle of 2008, Andrea Ramirez, 47, who previously plead guilty to fraud charges – operated 21st Century, which defrauded financially distressed homeowners by

making false promises and guarantees regarding 21st Century's ability to negotiate loan modifications for homeowners. Employees of 21st Century made numerous misrepresentations to victims during the course of the scheme, including falsely telling victims that 21st Century was operating a loan modification program sponsored by the United States Government. Victims were generally instructed to stop communicating with their mortgage lenders and to cease making their mortgage payments.

21st Century employees contacted distressed homeowners through cold calls, newspaper ads and mailings, and the company controlled websites that advertised loan modification services. Once they contacted the distressed homeowners, 21st Century employees often falsely told clients that the company was operating through a federal government program, that they would be able to obtain new mortgages with specific interest rates and reduced payments, and that attorneys would negotiate loan modifications with their lenders. 21st Century employees regularly instructed financially distressed homeowners to cease making mortgage payments to their lenders and to cut off all contact with their lenders because they were being represented by 21st Century. On some occasions, 21st Century employees told homeowners that 21st Century was using the fees paid by the homeowner to make mortgage payments, when the criminals simply were pocketing the homeowners' money.

This case is a result of an investigation conducted by SIGTARP with the Federal Bureau of Investigation, IRS Criminal Investigation division, the United States Postal Inspection Service, and the Federal Housing Finance Agency, Office of Inspector General.

Financial Fraud Enforcement Task Force

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, 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. To date, SIGTARP investigations have yielded more than 200 convictions and resulted in the recovery of over \$2.4 billion to the Government.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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