



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, September 16, 2014

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CALIFORNIA MAN CONVICTED IN MULTIMILLION DOLLAR MORTGAGE FRAUD SCHEME

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; Kamala D. Harris, California Attorney General; and José M. Martinez, Special Agent in Charge, Internal Revenue Service - Criminal Investigation, today announced that Alan David Tikal, 46, of Brentwood, in Contra Costa County, Calif., was convicted on September 15, 2014, on 11 counts of mail fraud and one count of money laundering in a mortgage fraud scheme.

The conviction came after a one-day bench trial on stipulated facts before United States District Judge Troy L. Nunley. According to evidence presented at trial, between January 7, 2010, and August 20, 2013, Tikal operated a business known as KATN. Tikal and his associates targeted homeowners experiencing difficulties making their monthly mortgage payments, many of whom did not speak English, and promised them that their outstanding mortgage debt would be reduced by 75 percent, falsely claiming he was a registered private banker with access to an enormous line of credit and the ability to pay off homeowners' mortgages in full. Tikal told homeowners that in return for various fees and payments, their existing loans would be paid in full, and the homeowners would then owe new loans to Tikal that would be only 25 percent of the original loan.

In fact, there was not a single instance in which a homeowner's debt was paid, forgiven or otherwise extinguished as a result of the mortgage relief program. All of the purported "loan" payments paid to Tikal were simply spent by himself, his family and his associates for personal use. Tikal and his associates convinced more than 1,000 homeowners in California and other states to participate in the program. Relying on the misrepresentations made by Tikal, many of these homeowners stopped making payments on their existing mortgages and lost their homes to foreclosure. Those homeowners paid more than \$5,800,000 in fees and monthly payments into the program. Of that, more than \$2,500,000 was paid into accounts controlled by Tikal and his family.

"Tikal exploited the financial crisis by setting out to hurt others and profit from that hurt, and he accomplished his mission through his crime," said SIGTARP Romero. "Homeowners struggling to keep their heads above water paid Tikal thinking they were getting their mortgages modified, foregoing the chance to obtain a real mortgage modification through HAMP, the TARP housing program. Even after SIGTARP agents arrested Tikal, from his jail cell, Tikal continued to run the scheme that stole \$5.8 million from homeowners and fraudulently stalled foreclosure proceedings by TARP banks. SIGTARP stands united with our partners like U.S. Attorney Ben Wagner, his team of prosecutors, and Maggy Krell, the terrific prosecutor from the California Attorney General's office."

“The financial crisis that hit our communities so hard made it very difficult for many of our citizens to make ends meet,” said U.S. Attorney Wagner. “Alan Tikal cynically took advantage of their desperation for his own profit, stealing payments meant to preserve family homes. We are gratified by the Court’s guilty verdict.”

This case is a joint prosecution by the United States Attorney’s Office for the Eastern District of California and the California Attorney General’s Office. It is the product of investigation by SIGTARP, Internal Revenue Service - Criminal Investigation, the California Department of Justice, and the Stanislaus County District Attorney’s Office. Assistant United States Attorney Philip Ferrari and California Deputy Attorney General Maggy Krell are prosecuting the case.

Co-defendants Tamara Tikal and Ray Kornfeld previously pleaded guilty and are awaiting sentencing.

Tikal, who has been incarcerated pending these charges since his arrest in September 2012, is scheduled to be sentenced by Judge Nunley on December 11, 2014. Tikal faces a maximum statutory penalty of 30 years in prison and a \$1 million fine. The actual sentence, however, will 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.

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.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

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