



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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FORMER 12-YEAR FEDERAL FUGITIVE SENTENCED TO 11 YEARS IN PRISON FOR NATIONWIDE FORECLOSURE SCAM

Collected More Than \$1.2 Million from More Than 800 Distressed Homeowners

WASHINGTON, DC - Glen Alan Ward, 48, a former Los Angeles resident who fled to Canada and was a federal fugitive for 12 years, was sentenced on Monday to serve 11 years in federal prison for aggravated identity theft and bankruptcy fraud in connection with his leading role in a nearly 15-year foreclosure-rescue scam that fraudulently postponed foreclosure sales for more than 800 distressed homeowners.

Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division, U.S. Attorney André Birotte Jr. of the Central District of California, U.S. Attorney Melinda Haag of the Northern District of California, Assistant Director in Charge Bill L. Lewis of the FBI's Los Angeles Field Office, and Special Agent in Charge David J. Johnson of the FBI's San Francisco Field Office made the announcement.

Ward was sentenced by U.S. District Judge Dale S. Fischer in the Central District of California. In addition to his prison term, Ward was sentenced to serve three years of supervised release and ordered to pay approximately \$60,000 in restitution.

"By fleeing to Canada, Ward thought he could out-run federal authorities and keep swindling struggling homeowners and defrauding lenders, including numerous TARP recipients," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Ward was proven wrong, and with today's sentencing, Ward will spend the next 11 years in federal prison as a consequence of his actions. If you engage in fraud related to TARP, you will be held accountable and brought to justice by SIGTARP and our law enforcement partners."

Ward pleaded guilty on April 8, 2013, in connection with three separate sets of charges in the Central and Northern Districts of California, all stemming from Ward's 15-year fraud. In 2000, Ward became a federal fugitive when he failed to appear in court after signing a plea agreement, which arose out of federal charges in 2000 in the Central District of California related to Ward's early conduct in the scheme. In 2002, Ward was indicted on multiple counts of bankruptcy fraud in the Northern District of California for continuing the scheme in and around San Francisco. On Aug. 17, 2012, Ward was indicted on mail fraud, aggravated identity theft, and additional bankruptcy fraud counts in the Central District of California after fleeing to Canada and continuing his fraud from there. While in Canada, Ward recruited Frederic Alan Gladle, who was indicted in the Central District of California for bankruptcy fraud and

identity theft in 2011, and was sentenced in 2012 on his guilty plea to 61 months in custody for engaging in similar conduct.

On April 5, 2012, Ward was arrested in Canada by the Royal Canadian Mounted Police and the Waterloo Regional Police Service based on a U.S. provisional arrest warrant. On Dec. 21, 2012, Ward was extradited to the United States to answer all three sets of charges.

According to the plea agreement, Ward led a scheme that solicited and recruited homeowners whose properties were in danger of imminent foreclosure. Ward promised to delay their foreclosures for as long as the homeowners could afford his \$700 monthly fee. Once a homeowner paid the fee, Ward accessed a public bankruptcy database and retrieved the name of an individual debtor who recently filed bankruptcy. Ward admitted that he obtained copies of unsuspecting debtors' bankruptcy petitions and directed his clients to execute, notarize, and record a grant deed transferring generally a 1/100th fractional interest in their distressed home into the name of the debtor that Ward provided. Then, after stealing the debtor's identity, Ward faxed a copy of the bankruptcy petition, the notarized grant deed and a cover letter to the homeowner's lender or the lender's representative, directing it to stop the impending foreclosure sale due to the bankruptcy.

Because bankruptcy filings give rise to automatic stays that protect debtors' properties, the receipt of the bankruptcy petitions and deeds in the debtors' names forced lenders to cancel foreclosure sales. The lenders, which included banks that received government funds under the Troubled Asset Relief Program (TARP), could not move forward to collect money that was owed to them until getting permission from the bankruptcy courts, thereby repeatedly delaying the lenders' recovery of their money for months and even years. In addition, if a distressed homeowner wanted to complete a loan modification or short sale, they were left to the mercy of Ward to send them forged deeds, supposedly signed by the debtors, to re-unify their title as required by most lenders.

As part of the scheme, Ward delayed the foreclosure sales of approximately 824 distressed properties by using at least 414 bankruptcies filed in 26 judicial districts across the country. During that same period, Ward admitted to collecting from his clients who paid for his illegal foreclosure-delay services more than \$1.2 million.

The investigation was conducted by SIGTARP and the FBI, which received substantial assistance from the U.S. Trustee's Office. In addition, the Office of International Affairs of the Department of Justice, Canadian Waterloo Regional Police Service and Royal Canadian Mounted Police provided exceptional support and assistance in connection with Ward's arrest and extradition.

This case was prosecuted by Assistant U.S. Attorney Evan Davis of the U.S. Attorney's Office for the Central District of California with assistance from the Criminal Division's Fraud Section. Assistant U.S. Attorney Jonathan Schmidt is prosecuting the charges in the Northern District of California which were transferred to the Central District of California for entry of the guilty pleas.

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.

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

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