



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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OPERATORS OF MORTGAGE LOAN MODIFICATION BUSINESS CHARGED WITH CONSPIRACY TO COMMIT FRAUD

WASHINGTON, D.C. – A grand jury in the Southern District of California returned an indictment today charging three individuals with conspiracy to commit wire fraud and mail fraud for their roles in operating a fraudulent mortgage loan modification business. According to the indictment, Ziad Nabil Mohammed Al Saffar and Sara Beth Bushore Rosengrant operated the fraudulent loan audit and modification business, located in San Diego, California, under the names, Compliance Audit Solutions, Inc. (CAS) and CAS Group, Inc. (CAS Group). The third defendant, Daniel Al Saffar, is charged with fraudulently soliciting customers for these companies as a sales representative.

The indictment was announced by United States Attorney Laura E. Duffy for the Southern District of California, and was investigated by agents of the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and the Federal Bureau of Investigation (FBI), as part of President Obama’s Financial Fraud Enforcement Task Force. The Special Inspector General for the Troubled Asset Relief Program co-chairs the task force’s Rescue Fraud Working Group.

Christy L. Romero, the Acting Special Inspector General for the Troubled Asset Relief Program stated, “The defendants are accused of designing ads and websites that suggested affiliation with the Federal Government’s TARP housing program known as HAMP. This exploitation of the TARP program is particularly egregious because the defendants allegedly preyed on homeowners who could not pay their mortgage. As the indictment alleges, the defendants made false promises that they had renegotiated the mortgage with the bank, when in reality, they took no action other than taking their victims’ money. This indictment is an example of how SIGTARP and its law enforcement partners are committed to protecting vulnerable homeowners who might fall prey to loan modification schemes.”

The indictment alleges that the defendants targeted homeowners who were unable to afford their mortgage payments and falsely advertised to them that CAS and CAS Group were affiliated with the federal government. The indictment also alleges that CAS and CAS Group solicited homeowners through Internet websites such as www.obamahope4homeowners.com and www.hampnow.org. According to the indictment, the defendants used false and fraudulent statements and representations to induce customers to purchase an “audit” of their home

mortgage loans supposedly to identify “violations” in the loan documents that could then be used to force banks to renegotiate their loans. The audit fees ranged from \$995 to \$3,500.

According to the indictment, among the misrepresentations made to customers were claims that CAS and CAS Group were affiliated with the United States Department of Housing and Urban Development (HUD), that they were participating in a federal program called “Hope for Homeowners,” that the audit fees were tax deductible, and that CAS and CAS Group had an “attorney” on staff who could finalize negotiations with banks on behalf of homeowners. The indictment further alleges that, as part of the conspiracy, the defendants fraudulently induced certain homeowners to make payments to CAS or CAS Group by falsely promising that such “good faith” payments were necessary to reduce their loan balance and interest rate, and that those payments would be kept in an “escrow account” by CAS or CAS Group. The false representations also included telling homeowners that banks demanded a “settlement fee” in order to modify a first mortgage and eliminate a second mortgage; that a one-time payment to cover taxes and insurance on the property was needed; and that the homeowners should make their monthly mortgage payments to CAS or CAS Group, instead or to their lender, and that the funds would be held in an escrow account for the benefit of a new lender.

An indictment is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.

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