



Department of Justice



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FOR IMMEDIATE RELEASE
WEDNESDAY, JUNE 12, 2013
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HUSBAND AND WIFE CHARGED WITH SHORT SALE FRAUD

LAS VEGAS, Nev. – A husband and wife who worked in the real estate profession in southern Nevada, have been charged in U.S. District Court in Las Vegas with conspiracy and fraud for making false statements to Wells Fargo Bank in order to get it to approve a short sale on their home, announced Daniel G. Bogden, United States Attorney for the District of Nevada.

Cynthia Hosbrook, 41, currently a licensed real estate agent in Nevada, and Robert Hosbrook, 51, formerly a licensed real estate agent in Nevada, both of Henderson, are charged in a criminal indictment dated June 12, 2013, with one count of conspiracy to commit bank fraud and one count of bank fraud.

According to the indictment, the Hosbrooks allegedly solicited a relative to act as a straw buyer for their residence at 2704 Mallard Landing in Henderson. In a short sale contract dated March 2, 2010, and in other paperwork submitted to Wells Fargo Bank, the Hosbrooks falsely represented that the sale of their home would be an arms length transaction, that it was between two unrelated parties, that no party to the contract was a family member or business associate, that there were no agreements that the seller would remain in the property as a renter, and that the short sale did not constitute straw buying, when they allegedly knew that they were selling the residence to a relative and a straw buyer. The Hosbrooks also allegedly caused the relative/straw buyer to falsely sign a title company form on July 9, 2010, stating that the relative would be residing at the property, which the Hosbrooks knew was a false and fraudulent representation.

Cynthia Hosbrook and Robert Hosbrook have been summoned to appear for an initial hearing and arraignment on June 21, 2013, at 3:00 p.m. before U.S. Magistrate Judge Carl W. Hoffman. If convicted, they face up to 30 years in prison and fines of up to \$1 million on each count.

The case is being investigated by the Federal Housing Finance Agency Office of the Inspector General, and is being prosecuted by Assistant U.S. Attorney J. Gregory Damm.

Today's announcement is part of efforts underway by President Obama's Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

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