



NEWS RELEASE

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Long Beach Man Sentenced to 4 Years in Federal Prison for Misusing Bankruptcy Courts to Operate a Foreclosure Rescue Scheme

LOS ANGELES – A Long Beach man was sentenced today to four years in federal prison in relation to a mortgage rescue scheme that brought in nearly \$3 million from fees from distressed homeowners.

Karl Robinson, 52, was sentenced today by United States District Judge Manuel L. Real, who also ordered the defendant to pay a \$10,000 fine.

Robinson pleaded guilty in August to one count of bankruptcy fraud in connection with a five-year scheme he operated under his own name and companies with names such as “Stay In Your Home Today,” “21st Century Development” and “Genesis Ventures Corporation.”

Robinson solicited clients who were facing foreclosure with false promises that he could save their homes. Instead of providing legitimate services to his clients, Robinson filed hundreds of fraudulent bankruptcy petitions that delayed foreclosure and eviction proceedings.

As part of the scheme, Robinson filed falsified grant deeds with county recorders and other fake documents in state court eviction proceedings to make it appear that fictional debtors held interests in the distressed properties. In a plea agreement filed in federal court, Robinson admitted that he misused notary stamps of other individuals in order to fake signatures on legal documents and that he charged distressed homeowners additional fees if they wanted to unwind fake filings.

“This scheme was never about providing assistance to distressed homeowners,” said United States Attorney Eileen M. Decker. “It was about lying to distressed homeowners and collecting fees based on false promises. This defendant abused the bankruptcy system and stole identities to perpetrate his fraudulent scheme.”

The criminal case against Robinson is the result of an investigation by the Federal Bureau of Investigation and the Federal Housing Finance Agency, Office of the Inspector General (FHFA-OIG).

“Mr. Robinson lured homeowners with empty promises and used his ties to a church to gain their trust and steal their hard-earned money,” said Deirdre Fike, the Assistant Director in Charge of the FBI's Los Angeles Field Office. “The FBI and our partners with the FHFA-OIG and the U.S Attorney's Office will continue to combat schemes that manipulate government rules and target victims faced with losing their homes.”

“Karl Robinson selfishly preyed on the misfortune of others and as a result has been sentenced to prison,” said Leslie P. DeMarco, Special Agent in Charge of FHFA-OIG's Western Region. “He now has ample time to reflect on his behavior. FHFA-OIG will continue to work with our law enforcement partners to prevent more innocent victims from falling prey to similar schemes and to protect the housing market.”

The case against Robinson was prosecuted by Special Assistant United States Attorney Kerry L. Quinn of the Major Frauds Section.