



Department of Justice

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ALLEGED ARCHITECT OF \$30 MILLION MORTGAGE RELIEF FRAUD SCHEME AND FOUR OTHERS INDICTED IN CONSPIRACY TO DEFRAUD BANKS AND HOMEOWNERS

WASHINGTON – The alleged architect of a \$30 million mortgage relief fraud scheme and four other former employees of a purported mortgage relief company were charged in an indictment unsealed today for their alleged participation in a conspiracy to defraud banks and homeowners.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Eileen M. Decker of the Central District of California, Assistant Director in Charge Deirdre Fike of the FBI's Los Angeles Division, Acting Special Agent in Charge Anthony J. Orlando of the Internal Revenue Service-Criminal Investigation (IRS-CI) Los Angeles Field Office, Special Agent in Charge Leslie P. DeMarco of the Federal Housing Finance Agency-Office of Inspector General's (FHFA-OIG) Western Region and Sheriff Jim McDonnell of the Los Angeles County Sheriff's Department made the announcement.

Yun Soon Matsuba, aka Dorothy Matsuba, 65; Thomas Matsuba, 64; Jane Matsuba Garcia, 40; and Jamie Matsuba, 31, all of Chatsworth, California, and Young Park, 53, of Koreatown, California, were each charged with one count of conspiracy to commit wire fraud, make false statements and commit identity theft. In addition, the 18-count indictment charges Dorothy Matsuba with five counts of wire fraud, five counts of making false statements and six counts of aggravated identity theft; Jane Matsuba Garcia with one count of wire fraud, two counts of making false statements and one count of aggravated identify theft; and Jamie Matsuba with one count of making a false statement.

Dorothy Matsuba, Thomas Matsuba, Jane Matsuba Garcia and Jamie Matsuba were all arrested this morning; Park remains a fugitive. Thomas Matsuba is Dorothy Matsuba's husband and Jane Matsuba Garcia and Jamie Matsuba are Dorothy Matsuba's daughters. Young Park is Dorothy Matsuba's brother.

The indictment alleges that from 2005 to 2014, the defendants operated an interlocking web of companies, primarily under the names of Ownership Management Service LLC and Trust Holding Service LLC, which purported to help homeowners obtain relief from high mortgage debt through short sales, in which lenders agree to sell a mortgaged property for less than the amount owed on the mortgage. In a scheme to defraud both the banks and the homeowners the defendants allegedly convinced homeowners to deed their property to trusts set up and controlled

by the Matsubas and also promised to pay their mortgages while negotiating with banks to short sell those properties. In the interim, the homeowners either remained in their properties or were relocated to another Matsuba-controlled property. Instead of performing short sales as promised, Dorothy Matsuba and the other defendants failed to make mortgage payments and submitted false and fraudulent short sale purchase offers to the banks in an effort to delay foreclosure and maximize the time period over which the Matsubas could collect rent from the homeowners and other third parties placed in the properties by the Matsubas, the indictment alleges. The Matsubas also routinely forged signatures, used false and stolen identities and filed fraudulent bankruptcy petitions—all in a scheme to delay foreclosure and maximize their profits at the expense of the homeowners and banks, the indictment alleges.

The scheme allegedly netted the defendants more than \$30 million in rent during the conspiracy period.

An indictment is merely an allegation and the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The FBI's Los Angeles Division, IRS-CI's Los Angeles Field Office, FHFA-OIG's Western Region and the Los Angeles County Sheriff's Department's Real Estate Fraud Unit investigated the case. Trial Attorney Niall O'Donnell and Senior Litigation Counsel David A. Bybee of the Criminal Division's Fraud Section are prosecuting the case. Senior Trial Attorney Nicholas Acker previously worked on the investigation.

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