

U.S. Department of Justice

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District of Connecticut*

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**FOR IMMEDIATE RELEASE
November 1, 2016**

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**CALIFORNIA WOMAN SENTENCED TO PRISON IN
CONNECTION WITH SCHEME TO DEFRAUD STRUGGLING
HOMEOWNERS**

Deirdre M. Daly, United States Attorney for the District of Connecticut, today announced that MICHELLE LEFAOSEU, also known as “Michelle Bennett,” “Michelle Lee” and “Michelle Page,” 42, of Huntington Beach, Calif., was sentenced yesterday by U.S. District Judge Stefan R. Underhill in Bridgeport to 12 months and one day of imprisonment, followed by one year of supervised release, for participating in an extensive mortgage loan modification scheme.

According to court documents and statements made in court, LEFAOSEU worked at a California-based company that falsely purported to provide home mortgage loan modifications and other consumer debt relief services to numerous homeowners in Connecticut and across the United States in exchange for upfront fees. The company did business, at various times, as “First Choice Financial Group, Inc.,” “First Choice Financial,” “First Choice Debt,” “Legal Modification Firm,” “National Freedom Group,” “Home Care Alliance Group,” “Home Protection Firm,” “Hardship Center,” “Network Solutions Center, Inc.,” “Premiere Financial Center,” “Premiere Financial,” “Rescue Firm,” “International Research Group LLC,” “Hardship Solutions,” “American Loan Center,” “Loan Retention Firm,” “Clear Vision Financial,” “Green Tree Financial Group,” “Green Tree Financial,” “Enigma Fund, Inc.,” “National Aid Group,” “Southern Chapman Group LLC,” “Save Point Financial,” “Best Rate Financial Solutions,” “Best Rate Financial Solution,” “Best Rate Financial,” “Best Rate Finance Group,” and “Nation Star Financial.”

Aria Maleki presided over the entire structure of this scheme, and LEFAOSEU was head of the processing department. Acting as representatives of the above-named entities, members of Maleki's sales team cold-called homeowners and offered to provide mortgage loan modification services to those who were having difficulty repaying their home mortgage loans. Homeowners were charged fees that typically ranged from approximately \$2,500 to \$4,300 for the services. To induce homeowners to pay these fees, scheme participants falsely represented that the homeowners already had been approved for mortgage loan modifications on extremely favorable terms; the mortgage loan modifications already had been negotiated with the homeowners' lenders; the homeowners qualified for and would receive financial assistance under various government mortgage relief programs, including the Troubled Asset Relief Program and the Home Affordable Modification Program; and if for some reason the mortgage loan modifications fell through, the homeowners would be entitled to a full refund of their fees.

In fact, the homeowners had not been preapproved for mortgage loan modifications with lenders, mortgage loan modifications had not been negotiated with the lenders, homeowners had not qualified for and did not receive any financial assistance through government mortgage relief programs, and homeowners did not receive a refund of their fees upon request. Few homeowners ever received any type of mortgage loan modification through the defendants' company, and few homeowners received refunds of their fees.

Participants in the scheme used pseudonyms and periodically changed their business and operating names to evade detection. They also directed homeowners to mail their checks to addresses and mail boxes that Maleki and others had set up in states other than California.

After members of the sales team fraudulently induced homeowners to pay for the company's services, the homeowners' files were transferred to LEFAOSEU and the junior processors working under her supervision. LEFAOSEU was fully aware of her co-workers' lies and, during her contact with victims, repeatedly helped to cover up those lies.

As a result of this scheme, more than 1,000 homeowners suffered losses totaling more than \$3 million.

On January 21, 2016, a grand jury in New Haven returned an indictment charging Maleki, LEFAOSEU and five other California residents with conspiracy and fraud offenses related to this scheme. The defendants were arrested on January 26.

On July 11, 2016, LEFAOSEU pleaded guilty to one count of misprision of a felony.

On March 22, 2016, Maleki pleaded guilty to one count of conspiracy to commit mail and wire fraud and, on July 18, 2016, he was sentenced to 112 months of imprisonment. He also forfeited approximately \$350,000 that investigators seized from various bank accounts, approximately \$362,000 sized from a Bitcoin account, a \$100,000 cashier's check, and a 2013 Ferrari 458 Italia.

The other five defendants, all of whom were members of Maleki's sales team, pleaded guilty and were sentenced to prison terms ranging from 18 months to 58 months.

All seven defendants have been ordered to pay restitution in the amount of \$2,390,496.59.

This matter was investigated by the U.S. Department of Homeland Security – Homeland Security Investigations, U.S. Postal Inspection Service, Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), U.S. Department of Housing and Urban Development – Office of Inspector General, Federal Housing Finance Agency – Office of Inspector General, and Federal Bureau of Investigation, with assistance from the Oklahoma Attorney General's Office.

The case was prosecuted by Assistant U.S. Attorney Avi M. Perry.

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