

Department of Justice
U.S. Attorney's Office
Southern District of Florida

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Seven Defendants Plead Guilty to Conspiracy Related to Mortgage Fraud Scheme

In two related cases, seven residents of Miami-Dade County pled guilty to conspiracy charges arising from their involvement in a complex mortgage fraud scheme involving two condominium conversion projects in central Florida.

Wifredo A. Ferrer, United States Attorney for the Southern District of Florida, Timothy Mowery, Special Agent in Charge, Federal Housing Finance Agency, Office of Inspector General (FHFA-OIG), George L. Piro, Special Agent in Charge, Federal Bureau of Investigation (FBI), Miami Field Office, and Juan J. Perez, Director, Miami-Dade Police Department (MDPD), made the announcement.

On November 10, 2016, **Orlando Ortiz**, 53, **Luis Enrique Tur**, 47, **Jeffrey Todd Canfield**, 49, **Rafael Amador**, 34, and **Oswaldo Sanchez**, 40, pled guilty to one count of conspiracy to commit bank fraud and wire fraud affecting a financial institution, before U.S. District Judge Federico A. Moreno. The defendants are scheduled to be sentenced on January 19, 2017.

On November 16, 2016, **Mirna Pena**, 54, and **Pedro Reynaldo Allende**, 66, pled guilty to one count of conspiracy to commit bank fraud and wire fraud affecting a financial institution, before U.S. District Judge Patricia A. Seitz. The defendants are scheduled to be sentenced on March 28, 2017.

According to court documents, including the agreed upon factual statements:

In 2007 and 2008, Ortiz, Tur, Canfield, Amador, and Sanchez participated in a mortgage fraud scheme involving two condominium projects: "Portofino at Largo," in Largo, Florida, and "Bayshore Landing," in Tampa, Florida. Pena and Allende were involved in the same mortgage fraud scheme; however, their involvement was limited to units in the Portofino at Largo project.

During the course of the conspiracy, Pena, Allende, and other individuals recruited straw buyers and unqualified buyers, including Ortiz, Tur, and Canfield, to purchase units in the two condominium projects. Among other things, the recruiters told certain prospective buyers that: buyers did not have to contribute any money to purchase a unit; buyers would receive a cash-back incentive or "kick-back" after closing; and buyers would receive several months' mortgage payments.

The co-conspirators prepared and submitted false and fraudulent mortgage loan applications and related documents to various lenders including Bank of America, BankUnited, Chase Bank USA, CitiMortgage, First National Bank of Arizona, IndyMac Bank, JPMorgan Chase Bank, and Washington Mutual Bank. Among other things, the loan applications and related documents contained false and fraudulent statements and omissions regarding: the borrower's intention to reside in the unit; the borrower's employment and income; the borrower's assets and liabilities; the borrower's payment of an earnest money deposit and cash-to-close; and the use of mortgage loan proceeds to pay "marketing fees" to various "marketing companies." In truth and in fact, the marketing companies were fraudulent businesses that did not provide any marketing services. Instead, the "fraudulently induced marketing fees" were a means of diverting proceeds from the fraud scheme to the marketing companies. The fraudulent marketing companies would then use the fraud proceeds to pay undisclosed kick-backs to the buyers.

Pena and Allende operated two Miami-based businesses, which were used to perpetrate the mortgage fraud scheme: Mortgage Bankers Lenders, Inc., a mortgage broker business, which submitted false and fraudulent loan applications and related documents to the lenders; and United Title Services & Escrow, Inc., which closed mortgage loan transactions even though the buyers had not paid earnest money deposits or cash-to-close, and used loan proceeds to pay "marketing fees" to a marketing company operated by unindicted co-conspirators.

Ortiz, Canfield, and Tur purchased units in Portofino at Largo. Tur also purchased units in Bayshore Landing. Ortiz, Canfield, and Tur engaged a Miami-based mortgage broker business operated by an unindicted co-conspirator to prepare and submit mortgage loan applications for their units. On their behalf, the co-conspirator prepared and submitted fraudulent loan applications and other documents to various lenders. The fraudulent loan documents included fabricated W-2 Wage and Tax Statements and pay stubs. After closing on their units, Ortiz, Canfield, and Tur received substantial undisclosed kick-backs from a marketing company operated by an unindicted co-conspirator. The kick-backs were funded with fraud proceeds, which had been paid to the marketing company as "marketing fees."

Amador and Sanchez operated Allegiance Title of America, Inc., which served as the closing agent for mortgage loans involving condominium units in Portofino at Largo and Bayshore Landing. Among other things, Amador and Sanchez caused Allegiance Title of America to disburse loan proceeds even though the buyers had not paid the earnest money deposits or cash to close, that was required by their loan applications and settlement statements. Amador and Sanchez also caused Allegiance Title of America to pay fraudulent "marketing fees" to marketing companies.

The defendants face a maximum statutory term of thirty years' imprisonment for their participation in the mortgage fraud conspiracy.

Mr. Ferrer commended the investigative efforts of the FHFA-OIG, FBI and MDPD. Both cases are being prosecuted by Assistant United States Attorney Dwayne E. Williams.

Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or on <http://pacer.flsd.uscourts.gov>.