

Department of Justice

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Three California Residents Sentenced in \$20 Million Mortgage Fraud Scheme

Three owners and/or managers of Los Angeles, California-area foreclosure rescue companies, Dorothy Matsuba, Jamie Matsuba, and Thomas Matsuba, were sentenced to 240, 135, and 168 months in prison today for their roles in a foreclosure rescue scheme, respectively.

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Nicola T. Hanna for the Central District of California, Assistant Director in Charge Paul D. Delacourt of the FBI's Los Angeles Division, Acting Deputy Inspector General for Investigations Paul Conlon of the Federal Housing Finance Agency-Office of Inspector General (FHFA-OIG), Special Agent in Charge R. Damon Rowe of Internal Revenue Service Criminal Investigation's (IRS-CI) Los Angeles Field Office, and Sheriff Jim McDonnell of the Los Angeles County Sheriff's Department made the announcement.

Dorothy Matsuba, 67, her daughter Jamie Matsuba, 33, and her husband, Thomas Matsuba, 67, all of Chatsworth, California, were sentenced by U.S. District Judge R. Gary Klausner of the Central District of California. Judge Klausner also ordered the defendants to serve three years of supervised release. Restitution and forfeiture will be decided at a hearing on Aug. 13. All three defendants were remanded into custody. Dorothy Matsuba pleaded guilty on Dec. 4, 2017, to one count conspiracy to commit wire fraud, false statements to a federally insured bank or mortgage lending business, and identity theft, five counts of wire fraud, six counts of false statements to federally insured banks, and six counts of aggravated identity theft. On Dec. 13, 2017, after a one-week trial, Jamie Matsuba and Thomas Matsuba were both convicted of one count of conspiracy to commit wire fraud, making false statements to federally insured banks, and committing identity theft and one count of making false statements to federally insured banks.

According to evidence presented at trial, from January 2005 to August 2014, Dorothy Matsuba, Jamie Matsuba, Thomas Matsuba and others engaged in a scheme to defraud financially distressed homeowners by offering to prevent foreclosure on their properties through short sales. Instead, the conspirators rented out the properties to third parties, did not pay the mortgages on the properties, and submitted false and fraudulent documents to mortgage lenders and servicers to delay foreclosure. The evidence further established that the conspirators obtained mortgages in the names of stolen identities. The defendants also used additional tactics, including filing bankruptcy in the names of distressed homeowners without their knowledge and fabricating liens on the distressed properties, the evidence showed.

Two other defendants have been charged in this matter. Defendant Jane Matsuba-Garcia, 42, of Camarillo, California, previously pleaded guilty and is awaiting sentencing. Defendant Young

Park of Los Angeles, California, is a fugitive. In addition, in related cases, Jason Hong, 36, of Chatsworth, and Ryu Goeku, 48, of Canoga Park, California, previously pleaded guilty and are awaiting sentencing.

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

This case was investigated by the FBI, FHFA-OIG, IRS-CI, the U.S. Attorney's Office for the Central District of California, and the Los Angeles County Sheriff's Department. Trial Attorney Niall M. O'Donnell, Senior Litigation Counsel David A. Bybee and Trial Attorney Jennifer L. Farer of the Criminal Division's Fraud Section are prosecuting the case. Senior Trial Attorney Nicholas Acker previously worked on the investigation.

Individuals who believe that they may be a victim in this case should visit the Fraud Section's [Victim Witness website](#) for more information.