

NEWS RELEASE

***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
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For Immediate Release

**Defendant Pleads Guilty in Complex
Real Estate Scam**

Scheme used fake names and fraudulent deeds to steal title

NEWS RELEASE SUMMARY – March 18, 2015

SAN DIEGO – Daniel Deaibes pleaded guilty today to participating in a scheme to steal title to Southern California homes, and then to “sell” the properties to unsuspecting buyers – who later learned they had actually purchased nothing.

According to his plea agreement, between September 2012 and November 2014, when Deaibes and two alleged co-conspirators were indicted and arrested, the trio fraudulently sold or attempted to sell at least 10 homes for more than \$2.3 million.

As Deaibes admitted during his guilty plea, he participated in the scheme at the direction of a co-conspirator, the owner of several real estate investment outfits. According to Deaibes’ admissions, the co-conspirator and others would record fraudulent grant deeds at county recorder’s offices, so that it would appear that the true owners of homes had deeded their properties to shell companies controlled by the co-conspirator.

Once the fraudulent documents were recorded in the chain of title, the co-schemers would pose as the new owners and immediately try to sell the properties. Deaibes said his coconspirator used aliases and a host of sham businesses to pose as the owner of properties they listed for sale, and along with Deaibes, set up bank accounts for the sham companies so that fraud proceeds could be funneled out of the scheme. In this way, the conspirators would take all the proceeds of the sale, and the true owners of the properties would get nothing.

As Deaibes admitted during his guilty plea, the schemers even took steps to thwart efforts by the true owners to regain title to the properties. In one instance, true owner Fannie Mae discovered that a fraudulent grant deed had been recorded on a property it owned in Rowland Heights, California. Shortly after discovering the fraudulent deed, Fannie Mae filed a lawsuit to recover control over the property and notify prospective buyers of the fraudulent deed.

According to Deaibes' plea agreement, he and his co-schemers created a fake "Withdrawal of Lis Pendens" in an effort to proceed with the fraudulent sale. When Fannie Mae won a judgment in its favor and obtained a court finding that the deed was fraudulent, the co-schemers created a fake "Satisfaction of Judgment" and recorded that fraudulent document as well.

Deaibes also admitted that he used the alias "John Moran" to pose as the seller's representative in several of the fraudulent sales. He introduced himself as "Moran" and presented a fake driver's license to two different notaries in 2014. Deaibes admitted that he signed fraudulent documents using this alias in an effort to sell or encumber properties that belonged to unsuspecting owners.

Deaibes admitted that he and the co-schemers generated more than \$1.5 million in profits from the scheme. In each case, the unwitting third-party buyer paid for a house believing that Alzoubi and his co-schemers had valid title. In fact, most of these properties were actually owned by Fannie Mae and Freddie Mac -- government sponsored enterprises with a mission to provide liquidity, stability, and affordability to the United States housing and mortgage markets. As part of their mission, Fannie Mae and Freddie Mac purchase residential mortgages in the secondary market, enabling lenders to replenish their funds to finance additional single family loans. Fannie Mae and Freddie Mac can become the property owners if they own the mortgage loan at the time a home is foreclosed.

U.S. Attorney Laura E. Duffy commented, "Although the Great Recession ended some time ago, some of the lingering problems in the housing market are caused by schemes, such as this one, that undermine the public's confidence in the security of their most important investment, their homes. The Department of Justice, working closely with our law enforcement partners, is committed to aggressively prosecuting those who misuse the real estate process to commit fraud."

FBI Special Agent in Charge, Eric S. Birnbaum, commented, "Today's conviction is a step in the right direction in holding Mr. Deaibes accountable for his illegal activities. The FBI is committed to working with our law enforcement partners in identifying and dismantling fraudulent schemes that undermine our economy and leave taxpayers to pay the bill. The FBI will aggressively pursue these cases so that our precious tax dollars will be used where they are needed most."

Sentencing is set for June 8 at 9:00 am before U.S. District Judge Cynthia Bashant.

Deaibes and two other defendants, Mazen Alzoubi real estate investor Mohamed Daoud, were indicted in November 2014. Deaibes and Alzoubi, who were both arrested by FBI agents on November 19, 2014, were charged with mail fraud. Daoud was arrested at Los Angeles International Airport as he prepared to depart for his home country of Norway. He was charged in a related case with conspiracy to commit mail fraud and wire fraud.

The investigation into this fraud scheme is continuing. Anyone with information relating to these charges or similar scams is encouraged to contact the San Diego branch of the Federal Bureau of Investigation at (858) 320-1800 or the Federal Housing Finance Agency - Office of Inspector General hotline at (800) 793-7724.

DEFENDANT

Daniel Deaibes

Age: 36

Case Number: 14CR3325-BAS

Rancho Cucamonga, CA

CHARGES

Mail fraud, in violation of 18 U.S.C. § 1341.

Maximum Penalties: 20 years' imprisonment, \$250,000 fine or twice the pecuniary gain or loss resulting from the offense, \$100 special assessment, restitution.

DEFENDANTS PREVIOUSLY CHARGED

Daniel Deaibes, 14CR3325-BAS Age: 31

Rancho Cucamonga, CA

Mail fraud, 18 U.S.C. § 1341

Mohamed Daoud, 14CR3326-BAS Age: 50

Norway

Conspiracy to commit mail fraud and wire fraud, 18 U.S.C. § 1349

INVESTIGATING AGENCIES

Federal Housing Finance Agency – Office of Inspector General

Federal Bureau of Investigation

As to defendants Mazen Alzoubi and Mohamed Daoud, the public is reminded that the charges are not evidence that the defendants committed the crime charged. The defendants are presumed innocent until the United States meets its burden in court of proving guilt beyond a reasonable doubt.