

Attorney General Kamala D. Harris Announces Arrests and Indictments by California Department of Justice Mortgage Strike Task Force

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Six Defendants Indicted on 135 Felony Counts For Scam That Cost Vulnerable Homeowners \$4 Million

SAN DIEGO – Attorney General Kamala D. Harris announced that six individuals were indicted and arrested on 135 felony charges for operating a mortgage fraud scheme throughout Southern California and the Inland Empire, preying on homeowners facing foreclosure. The case is being prosecuted by attorneys in the Attorney General’s Mortgage Fraud Strike Force, created by Harris in 2011 to prosecute mortgage fraud at every step of the process.

Jacob Orona, Aide Orona, John Contreras, Prakashumar ("Kash") Bhakta, Marcus Robinson, and David Boyd were indicted by a grand jury on 135 felony charges, including conspiracy, grand theft, filing false or forged documents, and identity theft. All six defendants were arrested last week and one defendant, Marcus Robinson, was arraigned yesterday, Monday, July 11, in San Diego Superior Court.

"I created the Mortgage Fraud Task Force in 2011 to ensure that we tirelessly protect Californians struggling to stay in their homes from those who would prey upon them for profit. This indictment is result of a joint effort to remain vigilant in the investigation and prosecution of those who attempt to defraud homeowners through the mortgage process," said Attorney General Harris. "I thank our Mortgage Fraud Strike Force and California Department of Justice Special Agents, as well as our local, state, and federal law enforcement partners, for their efforts on this case."

The scam artists promised homeowners who were underwater on their mortgages that they could provide legal remedies to avoid foreclosure, convincing homeowners to stop making mortgage payments and instead pay them \$3,500 to start with an “administrative process,” plus \$1,000 every month and separate amounts to allegedly file legal documents. The defendants filed bogus petitions and court pleadings and recorded false deeds in county recorders’ offices, causing over \$4 million in loses while failing to halt any foreclosures. The fraud stretched through San Diego, Riverside, San Bernardino, and Los Angeles counties.

The indictment was delivered following a two-week special statewide grand jury convened in San Diego County. If convicted, Jacob and Aide Orona face over 90 years in prison; Contreras

and Prakashkumar face over 70 years in prison; Robinson faces over 28 years in prison, and Boyd faces over 18 years in prison.

The arrests and arraignments are the culmination of a joint investigation by the Federal Housing Finance Agency Office of the Inspector General (FHFAOIG), the Attorney General's Financial Fraud and Special Prosecutions Section (FFSPS), the California Department of Justice Bureau of Investigation, and the Stanislaus County District Attorney's Office, Real Estate Fraud Unit.

Attorney General Harris created the Mortgage Fraud Strike Force within the California Department of Justice in May 2011. Composed of both civil and criminal enforcement teams, the Mortgage Fraud Strike Force monitors and prosecutes violations at every step of the mortgage process, from the origination of mortgage loans to the marketing of mortgage-backed securities to the investing public.

Attorney General Harris has long been dedicated to prosecuting mortgage fraud. She secured approximately \$20 billion for California in the National Mortgage Settlement and sponsored the California Homeowner Bill of Rights, a package of laws instituting permanent mortgage-related reforms. In 2009, as District Attorney of San Francisco, she launched the first stand-alone district attorney's mortgage fraud unit in California.

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