

# Department of Justice



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Middle District of Florida

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## **ORLANDO REALTOR PLEADS GUILTY TO BANKRUPTCY FRAUD**

Orlando, Florida – United States Attorney A. Lee Bentley, III announces that Rafael Sanchez (69, Orlando) has pleaded guilty to bankruptcy fraud. He faces a maximum penalty of five years in federal prison. Sanchez has agreed to make full restitution to the Clerk of Court for the United States Bankruptcy Court for the Middle District of Florida. His sentencing hearing is scheduled for January 9, 2017.

According to the plea agreement, Sanchez, a licensed real estate broker, devised a short-sale scheme to defraud creditors holding lawfully recorded mortgage notes, as well as the Federal National Mortgage Association (“Fannie Mae”) and the Federal Housing Administration (“FHA”), who had guaranteed the principal and interest payments on the mortgages. He targeted distressed homeowners facing foreclosure and promised to save their homes.

Sanchez successfully prevented creditors and guarantors from lawfully foreclosing on properties secured by mortgage notes by filing, or causing to be filed, fraudulent bankruptcies on behalf of the homeowners he targeted. The filing of these bogus bankruptcy petitions invoked the automatic stay provision of federal bankruptcy law, which brought an immediate halt to any foreclosure actions against the homeowners’ property.

As a result of the scheme, Sanchez enriched himself through ill-gotten real estate commissions from short sales of distressed homeowners' properties during the automatic stay period.

This case was investigated by the Federal Bureau of Investigation, the Federal Housing Finance Agency - Office of Inspector General, the U.S. Department of Housing and Urban Development – Office of Inspector General, and the Office of the U.S. Trustee in Orlando. It is being prosecuted by Special Assistant United States Attorney Chris Poor and Assistant United States Attorney James Mandolfo.