

PRESS RELEASE

Three Bay Area Real Estate Professionals Sentenced to Federal Prison for Their Roles in \$55 Million Mortgage Fraud Conspiracy

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U.S. Attorney's Office, Northern District of California

SAN FRANCISCO – Tjoman Buditaslim, Jose De Jesus Martinez, and Jose Alfonso Tellez were sentenced today to 24 months, 14 months, and 12 months in prison, respectively, for their participation in a mortgage fraud conspiracy. The sentences were handed down by the Honorable Charles R. Breyer, Senior U.S. District Judge.

Buditaslim, 52, of San Francisco, Martinez, 59, of Daly City, Tellez, 27, of San Jose, and a fourth defendant, Travis Holasek, 52, of San Francisco, were indicted in November 2023 on charges of conspiracy to commit wire fraud and wire fraud. All four defendants pleaded guilty to conspiracy to commit wire fraud.

As detailed in court records, from 2018 through 2022, Buditaslim, a licensed real estate broker until his license was revoked in 2019, conspired to originate approximately 102 home loans worth more than \$55 million based on false and fraudulent loan application information. Buditaslim obtained home loans for his clients, potential homebuyers, by submitting false loan applications and income information to multiple loan companies. Buditaslim knew that the applicants could not qualify using truthful income information. Unbeknownst to the applicants, Buditaslim created fraudulent documents, including judicial divorce decrees, alimony and child support checks for nonexistent children, bank statements, and loan applications, that falsely inflated the applicants' income. The loan companies extended home loans to Buditaslim's clients relying on the falsely inflated income information. Buditaslim and his co-conspirators profited from the conspiracy via payments from escrow when the clients purchased homes or direct payment from the clients. Buditaslim admitted that the Federal Housing Administration (FHA), which insured many of the fraudulently obtained mortgage loans, lost approximately \$486,484.38 to keep certain of the loans from going into foreclosure.

According to Martinez's plea agreement, Martinez, who worked as a licensed real estate agent, directed clients to Buditaslim knowing that Buditaslim would qualify his clients for home loans based on false and fraudulent loan application materials and information. Buditaslim obtained approximately 49 loans for Martinez's real estate clients totaling about \$27.7 million. As the agent for the buyers, Martinez earned nearly \$590,000 in real estate broker commissions.

According to Tellez's plea agreement, Tellez worked as a loan officer at a mortgage company where he received home mortgage loan applications and supporting documentation to determine if applicants qualified for a mortgage based on his employer's and FHA rules and guidelines. As part of the conspiracy, Tellez helped originate approximately 30 home mortgage loans worth more than \$17 million based on what he knew to be false and fraudulent income information. Despite knowing that he was required to stop and flag applications based on false and fraudulent income representations, Tellez knowingly assisted in originating and funding the loans. Tellez earned more than \$134,000 in commissions on the 30 fraudulently obtained loans.

"The defendants tried to line their own pockets at the expense of homebuyers, lenders, and federally insured programs. Instead of helping potential homebuyers obtain home loans for which they were qualified, defendants chased loans that should never have been extended," said United States Attorney Ismail J. Ramsey. "Today's sentences hold the defendants accountable for their conduct."

"Justice was served today. People seeking to fulfill their American dream of homeownership must not be victimized," said Herminia Neblina, Special Agent in Charge of the Federal Housing Finance Agency Office of Inspector General's Western Region. "FHFA-OIG will continue to aggressively investigate allegations of mortgage frauds and we will always seek to hold such criminal fraudsters accountable in the justice system."

"The defendants and other co-conspirators engaged in a \$55 million mortgage fraud scheme, fabricating material documents to falsely qualify individuals for loans they would not have otherwise qualified for. When individuals commit fraud against federally funded programs, it creates significant risks to the viability of the program and limits the financial resources available to assist hard working Americans with homeownership," said Acting Special Agent-in-Charge Joshua Stockman with the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG). "HUD OIG will continue to work with the U.S. Attorney's Office and its law enforcement partners to vigorously pursue those who seek to profit by abusing HUD-funded programs."

“To protect the public, Postal Inspectors worked closely with the U.S. Attorney’s Office and our partners at Federal Housing Finance Agency OIG and the U.S. Housing and Urban Development OIG to arrest and prosecute those individuals responsible for fraud schemes committed against businesses and the public,” said San Francisco Division Inspector in Charge Stephen M. Sherwood of the U.S. Postal Inspection Service (USPIS).

In addition to the terms of imprisonment, Judge Breyer sentenced each of the three defendants to three years of supervised release. Buditaslim was also ordered to pay \$1,393,018.46 in restitution, Martinez was ordered to pay \$840,847.35 in restitution, and Tellez was ordered to pay \$858,321.67 in restitution. Buditaslim, Martinez, and Tellez will begin serving their sentences on Feb. 3, 2025. Holasek is scheduled to be sentenced on Dec. 4, 2024.

The case is being prosecuted by the Corporate and Securities Fraud and General Crimes Sections of the U.S. Attorney’s Office. Assistant United States Attorney Christiaan Highsmith is prosecuting the case with the assistance of Lance Libatique. The prosecution is the result of a multi-year investigation by FHFA-OIG, HUD OIG, USPIS, and the California Department of Justice.

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