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Attorney General

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Attorney General Bonta Announces Arrests and Arraignment in \$15 Million Mortgage Fraud and Green Loan Scheme in Southern California

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SACRAMENTO – California Attorney General Rob Bonta today announced the arrests of 12 individuals on 133 felony counts for allegedly operating a sophisticated mortgage fraud and green loan scheme throughout Southern California. The scheme resulted in a loss of approximately \$15 million over the course of several years. Eleven of the 12 defendants have been arraigned on charges of conspiracy, mortgage fraud, grand theft, identity theft, forgery, filing a false or forged document, and money laundering, as well as a special allegation for aggravated white-collar crime, after being indicted by a Los Angeles County grand jury on April 26, 2021. Eleven defendants were arrested on April 29, 2021, and they each pleaded not guilty during their arraignments. A twelfth suspect was arrested on May 3, 2021, and is awaiting arraignment.

The arrests were the result of a multi-year investigation led by the Los Angeles Police Department (LAPD), with significant assistance from the Federal Housing Finance Agency, Office of Inspector General (FHFA-OIG). The Fraud and Special Prosecutions Unit of the California Department of Justice is prosecuting the case.

“Thank you to the LAPD and the FHFA-OIG for their work to put an end to an extensive, six-year fraud scheme that resulted in the theft of an estimated \$15 million,” **said Attorney General Bonta**. “The allegations against these defendants charge a pattern of disregard for the law and willingness to go as far as stealing the identities of the deceased just to further their scheme. Our office will seek to hold these defendants accountable for their alleged actions.”

“This was a very lengthy and complex investigation,” **said LAPD Captain Lillian Carranza**. “We are very proud of the work done by our Commercial Crimes Detectives. This case could not have been brought to fruition without their work ethics, tenacity, and commitment to duty. The victims of these crimes deserve justice and due process. We are tremendously grateful to Attorney General Rob Bonta, the Federal Housing Finance Agency, Office of Inspector General, and the Fraud and Special Prosecutions Unit of the California Department of Justice for their partnership and support.”

“The Federal Housing Finance Agency, Office of Inspector General is committed to holding accountable those who waste, steal, or abuse the resources of the Government-Sponsored Enterprises regulated by FHFA,” **said Jay Johnson, Special Agent-in-Charge, FHFA-OIG, Western Region**. “We are proud to have partnered with the Los Angeles Police Department and California Attorney’s General Office in this case.”

Between 2014 and 2020, the defendants allegedly ran a scheme that used stolen identities to obtain mortgage and green loans, which were wired to bank accounts they controlled. As a part of their scheme, they allegedly exploited the Ygrene Energy Fund and Renew Funding, companies that provide funding to licensed contractors for energy-efficient home improvements for homeowners. The defendants also allegedly used their false identities to obtain mortgage loans from conventional banks and hard money lenders for years, culminating in a loss of \$15 million.

It is important to note that a criminal indictment contains charges that must be proven in a court of law. Every defendant is presumed innocent unless or until proven guilty.

A copy of the indictment is available [here](#).