



ROB BONTA

Attorney General

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Attorney General Bonta Announces Guilty Pleas in \$6 Million Southern California Mortgage Relief Scheme

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Contact: (916) 210-6000, agpressooffice@doj.ca.gov

SACRAMENTO – California Attorney General Rob Bonta today announced that the nine defendants involved in an advance fee mortgage relief scam in Southern California have pleaded guilty to multiple counts including theft from an elder, identity theft, and grand theft. The scheme, which the defendants claimed would prevent the foreclosure of properties, impacted multiple victims, resulted in a loss of approximately \$6 million, and affected over 200 properties; including properties with loans insured by the Federal Housing Administration, as well as loan servicers Freddie Mac and Fannie Mae. The final defendant pleaded guilty today. On May 24, 2021, the lead defendant in the case was sentenced to seven years and four months in state prison, after pleading guilty in Los Angeles County Superior Court to 16 felony counts. In addition to the lead defendant, four defendants have been sentenced, and four will be sentenced at a later date.

“It is a terrible crime to prey on individuals and families who are feeling vulnerable and distressed as they face losing their homes,” **said Attorney General Bonta**. “We’re getting justice for the victims in this case, and I hope this serves as a warning that perpetrators of these scams will be held accountable.”

On October 30, 2020, nine suspects were indicted by a grand jury in Los Angeles County Superior Court for grand theft, filing of false or forged documents in a public office, identity theft, theft from an elder, conspiracy to commit grand theft, and a special allegation for aggravated white-collar crime.

Between 2010 and 2019, the group conspired to defraud lenders and homeowners of possession of residential properties. As part of the scheme, they targeted distressed homeowners claiming they could stop the foreclosure of their home if the home owners made monthly payments to the group. Instead, they delayed foreclosures and eviction actions by filing fraudulent bankruptcy documents, false court documents, and false fractional interest grant deeds. They sent these documents to the servicers of mortgage loans, which would stop the foreclosure by invoking the bankruptcy “automatic stay.” Many homeowners lost their homes to foreclosure despite paying the group hundreds of dollars a month over the course of many years.