

Real Estate Agent Sentenced to Prison For Fraud

Thursday, June 01, 2006 – (www.NationalRealtyNews.com)

ATLANTA, GA - Wanda Morgan Tyler, 60, of Duluth, Georgia, was sentenced today by United States District Judge Thomas Thrash on charges of mail fraud, relating to a scheme to defraud a mortgage lending program operated by the United States Department of Veterans' Affairs ("VA").

"We continue to focus on prosecuting real estate professionals who contribute to the substantial mortgage fraud problem in the Atlanta area. This fraud harms communities and drives up lending costs. In this case, which involved a federal benefits program, it also harmed taxpayers. Our continued prosecution of these types of frauds shows that participating in mortgage fraud is a good way to end up in prison."

Tyler was sentenced to 33 months in prison to be followed by 3 years of supervised release, and found liable for approximately \$900,000 in criminal restitution. Tyler pleaded guilty to these charges on February 16, 2006.

According to United States Attorney Nahmias and the information presented in court: Tyler, using an alias, operated as a real estate agent in the Atlanta area in 2000-2002, during which she arranged for over 20 real estate transactions under the VA's Lendee Vendor Program. This was a program by which the VA sold properties to the general public, along with direct financing or loan guarantees. The VA previously acquired these properties by way of foreclosure, after veterans defaulted on VA guaranteed loans.

In over a dozen cases, Tyler created and submitted to the VA false wage statements, bank records, and other financial documents in the names of the purchasers that she represented, often without the purchasers' knowledge. She did this to mislead the VA as to the credit-worthiness of the purchasers, thereby ensuring that the transactions would be approved and that Tyler would receive substantial commissions. In some cases, Tyler submitted bids under false identities that she created. As part of her scheme, Tyler used several aliases and different companies, all to conceal from the VA that Tyler was behind the scheme. The VA lost over \$900,000 as a result. This includes over \$180,000 that the VA paid to Tyler in commissions from these fraudulent transactions, as well as over \$720,000 in foreclosure losses, as almost all of the purchasers or purported purchasers defaulted on their mortgages.

Real Estate Broker Pleads Guilty in Flipping Scheme

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NEWARK – A former real estate broker, loan officer, closing attorney and Ecuadoran immigrant pleaded guilty to their roles in a conspiracy to “flip” properties in Union County and defraud the U.S. Department of Housing and Urban Development of more than \$300,000, U.S. Attorney Christopher J. Christie announced.

Mario Mendoza , 41, of Union, was formerly a real estate broker with Weichert Realtors in Union. Kenneth DiPrenda, 42, of East Hanover, was formerly a loan officer at AMS Mortgage in West Patterson. Attorney Linda Serrano, 44, of Union, is a private-practice attorney. Myrium Vaca, 45, of Elizabeth, is an Ecuadoran national and worked, at times, for Mendoza, 41, of Union, was formerly a real estate broker with Weichert Realtors in Union. 42, of East Hanover, was formerly a loan officer at AMS Mortgage in West Patterson.

Mendoza, DiPrenda and Vaca, each pleaded guilty before U.S. District Judge Joel A. Pisano to separate one-count criminal Informations which alleged conspiracy to submit false statement to HUD. Serrano pleaded guilty to a one-count Information which alleged the submission of false statements to HUD.

According to the Informations, the conspirators fraudulently induced HUD to insure certain mortgage loans made to unqualified borrowers, enabling Mendoza, DiPrenda, Serrano, Vaca and their co-conspirators to earn hundred of thousands of dollars in profits from the sales of properties financed by the fraudulent loans.

According to the Informations to which the defendants pleaded guilty, HUD was defrauded by more than \$300,000. The fraud took place between approximately December 1999 and July 2001. As part of the alleged conspiracy, the defendants and others solicited and recruited individuals who, with false identification, purchased homes in Union County and elsewhere. Many of the homes were being sold by Mendoza’s clients at Weichert. Those clients were unwittingly duped into selling their homes to unqualified borrowers who were using fake identification.

According to the Informations, DiPrenda, a loan officer, assisted in qualifying the borrowers for HUD-insured loans. Further, Mendoza, Vaca and others falsified documents for the borrowers’ loan files and then submitted the files to banks and, soon thereafter, HUD. The false documents included gift letters, credit explanation letters, W-2 form and employment records.

As part of the conspiracy, Mendoza often told sellers that their properties were being sold for a price that, unbeknownst to them, was far lower – often by tens of thousands of dollars – than the amount that was ultimately financed through the fraudulently secured HUD loans.

Serrano, as the closing agent, would complete two separate HUD-1 closing forms so that the seller would not know that the property was being sold for thousands more than the agreed upon price. One HUD-1 would show the decreased purchase price that would be given to the seller at the closing. The other HUD-1 would show the more accurate inflated price that would ultimately be forward to HUD.

According to the Informations, when the defendants did not sell the properties using two HUD-1s, they would assist unqualified borrowers, all of whom fraudulently used others identification, qualify for HUD-insured loans by fabricating documents on their behalf.

During their plea hearings, defendants Mendoza, DiPrenda and Vaca admitted to their roles in the conspiracy. Among other things, Mendoza admitted recruiting borrowers to use fake identifications to purchase properties he was selling for his clients at Weichert.

DiPrenda admitted falsifying documents, such as false credit explanation letters, in order to qualify unqualified borrowers for HUD-insured loans.

Vaca admitted to providing false gift letters, letters purporting to provide thousands of dollars to assist her relatives purchase homes, when in fact she neither provided the monies, nor was related to borrowers.

Serrano admitted preparing a materially false HUD-1 at Mendoza's direction.

The defendants each face maximum penalties of five years in prison and a \$250,000 fine. Pisano scheduled sentencings for June 28 and 29.

Real Estate Agent, Loan Officer Jailed for Fraud and Forgery

Thursday, April 13, 2006 - (www.NationalRealtyNews.com)

PHOENIX, AZ - Attorney General Terry Goddard announced two jail sentences in a case involving a real estate agent and a loan officer who fraudulently obtained home loans by using false and forged documents. The sentences were handed down by Maricopa County Superior Court Judge Brian Hauser.

Real estate agent Carmen Cantu, 61, of Phoenix, was sentenced to five years of supervised probation, with one year to be served in jail. He had previously pleaded guilty to fraud and forgery. Cantu was also ordered to perform 200 hours of community service, to pay fines and restitution totaling \$53,623 and to forfeit his real estate license.

Loan officer Francisco Martinez, 31, of Phoenix, was sentenced to four years of supervised probation, with 60 days in jail, and to pay restitution of \$9,999. Martinez pleaded guilty to forgery.

Many of Cantu's clients were undocumented immigrants. The false and forged documents were used to hide their true identity and credit history. In addition, Cantu stole money from some of these clients; in one case, he sold a client's home without her knowledge and caused her equity in the home to be distributed to Cantu's wife, who was also his real estate broker.

Other defendants in this case included Cantu's wife and broker, Betty Barbee, and escrow officer Victoria Cervantes. Barbee and Cervantes were ordered to pay restitution of \$27,823. Two months ago, Barbee was sentenced to two years probation and a \$1,000 fine. She was also ordered to forfeit her broker's license and notary public license. She had pleaded guilty to presentment of a false instrument. Cervantes was sentenced in January to four years probation with forfeiture of her notary public license. She had pleaded guilty to forgery.

Cantu and Barbee were doing business as Profile Realty, Inc. Martinez worked at Security Mortgage Corporation, and Cervantes was employed by First Financial Title Agency of Arizona. All are Phoenix businesses.