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Eastern District of California

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MANTECA MOTHER-DAUGHTER REAL ESTATE TEAM ARRESTED IN ESTIMATED \$5 MILLION MORTGAGE FRAUD SCAM

SACRAMENTO, Calif. — United States Attorney Lawrence G. Brown announced today that a criminal complaint was filed this morning charging IRENE SOTIRIADIS, 23, and HELEN SOTIRIADIS, 49, both of Manteca, with conducting a mortgage fraud scheme from March 2006 through November 2007 that caused losses to lenders estimated at approximately \$5 million. Arrest warrants were issued Sunday afternoon by United States Magistrate Judge Gregory G. Hollows after a special agent of the FBI received information that the two suspects may have been intending to flee to Greece.

This case is the product of a joint investigation by the Federal Bureau of Investigation and the San Joaquin District Attorney's Office.

According to Assistant United States Attorney Russell L. Carlberg, who is prosecuting the case, an affidavit filed by a special agent of the FBI alleges that HELEN and IRENE SOTIRIADIS recruited as many as 25 members of the Cambodian immigrant community to purchase homes they could not afford in and around Stockton and Modesto. HELEN and IRENE SOTIRIADIS promised the Cambodians that after one initial high monthly payment, the homes would be refinanced to a payment of only \$1,500 per month. After the initial monthly mortgage payments of \$4,000 came due, HELEN and IRENE SOTIRIADIS refused to return phone calls to the victims, according to the affidavit. Most of the homes quickly fell into foreclosure.

An arraignment and detention hearing will be held in Sacramento at 2:00 p.m. on Monday, September 21, 2009, before Magistrate Judge Hollows.

The maximum statutory penalty for a violation of the federal mail fraud and wire fraud statutes is 20 years in prison and a \$250,000 fine. However, the actual sentence will be dictated by the Federal Sentencing Guidelines, which take into account a number of factors, and will be imposed at the discretion of the court.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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