



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

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**SAN ANTONIO WIFE SENTENCED FOR ROLE IN
MILLION DOLLAR MORTGAGE FRAUD SCHEME**

Case part of nationwide crackdown called Operation Malicious Mortgage

United States Attorney Johnny Sutton announced that in San Antonio, Veronica DeGuzman was sentenced to 75 months in federal prison for carrying out a mortgage fraud scheme involving three San Antonio and Spring Branch residential properties, three financial institutions and over \$1,000,000 in foreseeable losses. In addition, United States District Judge Xavier Rodriguez ordered that DeGuzman pay \$1,665,000.00 restitution to her victims and be placed under supervised release for a period of five years after completing her prison term.

On October 2, 2008, Veronica DeGuzman pleaded guilty to one count each of financial institution fraud and aggravated identity theft. Her husband, Fred De Guzman pleaded guilty to the same charges on November 18, 2008. Sentencing for Fred DeGuzman, originally scheduled for today, was reset for March 20, 2009, before Judge Rodriguez.

By pleading guilty, the defendants admitted that from June 25, 2007, to November 5, 2007, Fred DeGuzman, using an alias, and Veronica DeGuzman contacted individual sellers of residential property and entered into agreements to purchase the property for an inflated price, with the excess of the stated price over the actual sales price being returned to a corporation owned and controlled by the defendants. Using the alias, as well as falsified employment and income information, Fred and Veronica DeGuzman applied for and obtained 100% financing. After one or two mortgage payments, the mortgage went into default causing losses to the lenders.

“This husband and wife team enriched themselves through deception and lies leaving unknowing lenders holding the bag,” stated United States Attorney Johnny Sutton.

This case was investigated by the Federal Bureau of Investigation as part of a nationwide crackdown on mortgage fraud called Operation Malicious Mortgage. Assistant United States Attorney William R. Harris prosecuted this case on behalf of the government.

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