

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

COURT SENTENCES FOUR DEFENDANTS INVOLVED IN MASSIVE MORTGAGE FRAUD SCHEME

NEWS RELEASE SUMMARY - February 18, 2011

United States Attorney Laura E. Duffy announced today the sentencing of four defendants who were convicted in connection with a \$55 million mortgage fraud scheme. The four defendants, Maria Echeverria, Ivan Gil, Laneka Chatton, and Jonathan J. Garcia, are among 19 defendants named in a 51-count indictment that alleges wire fraud, mail fraud, and criminal forfeiture.

As alleged in the indictment, from about 2004 to about 2007, each of the defendants made false statements in various loan applications and supporting documents in order to trick lenders into giving residential mortgage loans to unqualified or under-qualified borrowers. Among other things, the defendants falsified borrowers' income and employment to make them appear as if they would represent a good investment candidate for the lender. Defendants also misled the lenders by purchasing false "CPA letters" from Aguilera Bookkeeping and Income Tax, which was located in Vista, California. These false CPA

letters purported to verify that the borrower was successfully self-employed. It is alleged that the defendants fraudulently induced banks and lending institutions to make over \$55 million in home loans, and received over \$1.05 million in fees and commissions.

In handing down sentences, United States District Court Judge Jeffrey T. Miller remarked upon the seriousness of the crimes in this case and the need to both punish defendants for their criminal conduct and to afford adequate deterrence for others who might engage in mortgage fraud. Judge Miller then imposed custodial sentences upon all four defendants. He imposed a sentence of 18 months for Jonathan J. Garcia. Garcia previously pled guilty to one count of a making false statements to a federally insured institution, in violation of Title 18, United States Code, Section 1014. Garcia and co-defendants Laneka Chatton, Karen Garcia, and Francisco Giron worked at Giron's Financial & Realty Group in Oceanside, California. Jonathan Garcia was involved in 32 fraudulent loan applications, representing approximately \$7 million in fraudulent loans, and which resulted in losses of between \$400,000 and \$1 million when the borrowers defaulted, the loans were foreclosed, and the properties were sold.

Judge Miller also imposed a sentence of 12 months and 1 day for Maria Echeverria. Echeverria pled guilty to two counts of wire fraud in violation of Title 18, United States Code, Section 1343. Echeverria owned a mortgage company called AmStar Funding in Vista, California. Echeverria admitted that she engaged in fraud in at least 9 loan applications, representing approximately \$3 million in fraudulent loans, and which resulted in losses of at least \$526,000 when the borrowers defaulted, the loans were foreclosed, and the properties were sold.

Judge Miller imposed a sentence of 12 months upon Ivan Gil. Gil previously pled guilty to four counts of making false statements to a federally insured institution. Gil worked at Dream Homes and Loans, a mortgage and real estate company in Vista, California. Gil admitted that he engaged in fraud in at least 12 loan applications, representing approximately \$2.2 million in fraudulent loans, and which resulted in losses of \$200,000 to \$400,000 when the borrowers defaulted, the loans were foreclosed, and the properties were sold.

Judge Miller imposed a sentence of 12 months upon Laneka Chatton. Chatton previously pled guilty to one count of wire fraud in violation of Title 18, United States Code, Section 1343. Chatton also worked at Giron's Financial & Realty Group in Oceanside, California. Chatton admitted that she engaged in fraud in at least four loan applications, representing approximately \$800,000 in fraudulent loans, which resulted in losses of approximately \$130,000 when the borrowers defaulted, the loans were foreclosed, and the properties were sold.

United States Attorney Laura E. Duffy said, "Mortgage fraud like that perpetrated by these defendants contributed significantly to the collapse of the real estate market throughout this country. The punishment delivered today will help ensure that unethical loan officers, and society in general, realize that this type of behavior has tremendous consequences and will be seriously punished."

This investigation was conducted by agents of the Federal Bureau of Investigation.

DEFENDANT

CONVICTION(S)

Case Number: 10cr2242-JM

Maria Echeverria

Counts 22 & 47 - Wire Fraud
(Title 18, United States Code, Section 1343)

Ivan Gil

Counts 1-4, Superseding Information - False Statement to
Federally Insured Institution
(Title 18, United States Code, Section 1014)

Jonathan J. Garcia

Count 1, Superseding Information - False statement to Federally
Insured Institution (Title 18, United States Code, Section 1014)

Laneka Chatton

Count 25, Wire Fraud
(Title 18, United States Code, Section 1343)

AGENCY

Federal Bureau of Investigation