



Department of Justice



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OPERATORS OF MORTGAGE LOAN MODIFICATION BUSINESS
CHARGED WITH CONSPIRACY TO COMMIT FRAUD

SAN DIEGO, CA – United States Attorney Laura E. Duffy announced today an indictment charging three individuals with conspiracy to commit wire fraud and mail fraud for their roles in operating a fraudulent mortgage loan modification business. According to the indictment, Ziad Nabil Mohammed Al Saffar and Sara Beth Bushore Rosengrant operated the fraudulent loan audit and modification business, located in San Diego, California, under the names “Compliance Audit Solutions, Inc.” (“CAS”) and CAS Group, Inc., (“CAS Group”). The third defendant, Daniel Al Saffar, is charged with fraudulently soliciting customers for these companies as a sales representative.

The indictment alleges that the defendants targeted homeowners who were unable to afford their mortgage payments and falsely advertised to them that CAS and CAS Group were affiliated with the federal government. According to the indictment, the defendants used false and fraudulent statements and representations to induce customers to purchase an “audit” of their home mortgage loans supposed to identify “violations” in the loan documents that could then be used to force banks to renegotiate their loans. The audit fees ranged from \$995 to \$3,500.

According to the indictment, among the misrepresentations made to customers were claims that CAS and CAS Group were affiliated with the United States Department of Housing and Urban Development (HUD), that they were participating in a federal program called “Hope for Homeowners,” that the audit fees were tax deductible, and that CAS and CAS Group had an “attorney” on staff who could finalize negotiations with banks on behalf of homeowners. The

indictment further alleges that as part of the conspiracy that the defendants fraudulently induced certain homeowners to make payments to CAS or CAS Group by falsely promising that such “good faith” payments were necessary to reduce their loan balance and interest rate, and that those payments would be kept in an “escrow account” by CAS or CAS Group. The false representations also included telling homeowners that banks demanded a “settlement fee” in order to modify a first mortgage and eliminate a second mortgage; that a one-time payment to cover taxes and insurance on the property was needed; and that the homeowners should make their monthly mortgage payments to CAS or CAS Group, instead of to their lender, and that the funds would be held in an escrow account for the benefit of a new lender.

This case is the product of an investigation by agents of the Federal Bureau of Investigation and the Office of the Special Inspector General - Troubled Asset Relief Program (TARP) and is being prosecuted in San Diego federal court by Assistant U.S. Attorney Joseph S. Green.

This case was brought in coordination with the Financial Fraud Enforcement Task Force, which was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement working together to launch a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. The Special Inspector General for the Troubled Asset Relief Program co-chairs the task force’s Rescue Fraud Working Group. For more information on the task force, visit www.StopFraud.gov.

An indictment is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.

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