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**NEW JERSEY MAN SENTENCED TO MORE THAN 13 YEARS FOR
FORECLOSURE RESCUE SCAM**

PHILADELPHIA - Gennaro Rauso, 47, of Trenton, NJ, was sentenced today to 160 months in prison for several mortgage fraud related charges, announced United States Attorney Zane David Memeger. Rauso owned and operated a real estate management company - D&B Property Investors - that purported to help financially distressed homeowners with their foreclosure problems. He pleaded guilty in July 2010 to the mortgage fraud scheme, willfully failing to file tax returns on behalf of D&B Property Investors, defrauding the government of taxes owed on more than \$1.6 million in income, and other fraud schemes involving credit cards and cashiers checks.

Between January 2005 and December 2008, while operating D&B Property Investors, Rauso sought out homeowners who were facing immediate foreclosure on their homes and offered to help them avoid foreclosure. In a flyer mailed to these homeowners, Rauso claimed that he could help homeowners fight the mortgage companies on their behalf, while at the same time helping them to rebuild their credit so they could keep their home. Once a homeowner agreed to participate, Rauso had the homeowner transfer the title of the home over to him for a nominal sum. Rauso then had the homeowner sign a lease, making the homeowner a tenant who paid rent to Rauso. He then delayed and obstructed the foreclosure process by, among other things, filing federal bankruptcy petitions. During this time when foreclosure was delayed, Rauso collected monthly rent payments from the homeowners, but made no payments to the mortgage companies. Ultimately, Rauso used more than 200 homeowners and their properties in his scheme to defraud mortgage companies, resulting in Rauso pocketing at least \$400,000 in diverted or lost mortgage payments. With respect to at least four of the homes involved, the mortgages were federally insured by the Federal Housing Administration ("FHA"), resulting in substantial claims paid by the FHA once the mortgages defaulted.

In addition to the prison term, U.S. District Court Judge Michael M. Baylson ordered Rauso to pay a special assessment of \$1,400 and five years of supervised release.

The case was investigated by the FBI, IRS Criminal Investigation Division, Department of Housing and Urban Development Office of Inspector General. It was prosecuted by Assistant United States Attorney Leo R. Tsao.

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