



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

February 2017 Grand Jury

17 CR 00350

UNITED STATES OF AMERICA,

CR No. 17-

Plaintiff,

I N D I C T M E N T

v.

[18 U.S.C. § 371: Conspiracy; 18 U.S.C. § 157(1): Bankruptcy Fraud; 18 U.S.C. § 1343: Wire Fraud; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act To Be Done]

MICHAEL HENSCHEL,
aka "Mickey Henschel,"
aka "Frank Winston,"

Defendant.

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

1. At all times relevant to this Indictment:

a. Defendant MICHAEL HENSCHEL, also known as ("aka") "Mickey Henschel," aka "Frank Winston" ("HENSCHEL"), was a resident of Van Nuys, California, in Los Angeles County, within the Central District of California.

b. Defendant HENSCHEL, co-conspirator No. 1 ("CC-1"), co-conspirator No. 2 ("CC-2"), co-conspirator No. 3 ("CC-3"), co-

1 conspirator No. 4 ("CC-4"), co-conspirator No. 5 ("CC-5"), co-
2 conspirator no. 6 ("CC-6"), co-conspirator No. 7 ("CC-7"), co-
3 conspirator No. 8 ("CC-8"), and others known and unknown to the Grand
4 Jury, worked for, through, and with a company that defendant HENSCHEL
5 owned and operated under various names, including the name
6 "Valueline," out of offices in Van Nuys, California, in Los Angeles
7 County, within the Central District of California, whose principal
8 business was providing illegal foreclosure- and eviction-delay
9 services.

10 c. A bankruptcy case was typically commenced with the
11 filing of a petition for bankruptcy. A person or entity seeking
12 relief from debts, referred to as the "debtor," could file a
13 voluntary petition for bankruptcy. Alternatively, creditors could
14 file an involuntary petition for bankruptcy against a debtor.

15 d. The filing of a bankruptcy petition triggered what is
16 known as an "automatic stay" against the debtor's creditors, who were
17 immediately prohibited from taking any action on claims they might
18 have had against the debtor and any property owned and possessed by
19 the debtor when the bankruptcy case was commenced unless permission
20 of the bankruptcy court is first obtained.

21 e. As a result of the automatic stay, the filing of a
22 bankruptcy petition had the effect of suspending all creditor
23 actions, including foreclosure proceedings commenced by mortgage
24 lenders and eviction actions commenced by purchasers of foreclosed
25 properties, against the debtor and the debtor's assets.

26 B. THE OBJECTS OF THE CONSPIRACY

27 2. Beginning on a date unknown but no later than in or about
28 October 2010 and continuing through at least in or about July 2013,

1 defendant HENSCHER, together with CC-1, CC-2, CC-3, CC-4, CC-5, CC-6,
2 CC-7, CC-8, and others known and unknown to the Grand Jury, knowingly
3 combined, conspired, and agreed to commit the following offenses:

4 a. Bankruptcy fraud, in violation of Title 18, United
5 States Code, Section 157(1); and

6 b. Wire fraud, in violation of Title 18, United States
7 Code, Section 1343.

8 C. THE MANNER AND MEANS OF THE CONSPIRACY

9 3. The objects of the conspiracy were carried out, and were to
10 be carried out, in substance, as follows:

11 a. Defendant HENSCHER, CC-3, CC-5, CC-6, and other co-
12 conspirators would market foreclosure- and eviction-delay services to
13 homeowners who had defaulted on their mortgages (the "clients").

14 b. Defendant HENSCHER, CC-3, CC-5, CC-6, and other co-
15 conspirators would tell the clients that, for a fee, they would
16 assist the clients in delaying foreclosure proceedings that mortgage
17 lenders had initiated against the properties serving as collateral
18 for the clients' defaulted mortgages (the "distressed properties")
19 and the eviction of the clients from the distressed properties after
20 mortgage lenders had sold the distressed properties in trustee sales.

21 c. Defendant HENSCHER, CC-1, CC-2, CC-4, CC-8, and other
22 co-conspirators would file and cause others to file bankruptcy
23 petitions in the names of persons and entities other than the
24 clients, including in the names of non-existent people and entities
25 ("fictional debtors"), in order to initiate bankruptcy cases to be
26 used as part of the scheme.

27 d. As defendant HENSCHER and his co-conspirators knew,
28 the bankruptcies were fraudulent because they were filed solely to

1 delay foreclosure and eviction proceedings and not as part of any
2 genuine effort to restructure or eliminate debt, and many were filed
3 in the names of fictional debtors, for whom fictional social security
4 numbers and employer identification numbers were listed in the
5 bankruptcy filings.

6 Foreclosure Delay

7 e. To delay foreclosures, defendant HENSCHER and other
8 co-conspirators would prepare and cause others to prepare fake grant
9 deeds (the "fake deeds") that purported to convey fractional
10 interests in the distressed properties to the fictional debtors.

11 f. Defendant HENSCHER and other co-conspirators would
12 backdate and cause others to backdate the fake deeds to create the
13 false appearance that the conveyances of fractional interests in the
14 distressed properties had taken place prior to the filing of the
15 bankruptcy petitions.

16 g. In reality, as defendant HENSCHER and other co-
17 conspirators knew, the fake deeds were prepared and backdated solely
18 to create the appearance that the fictional debtors held interests in
19 the distressed properties prior to the filing of bankruptcy petitions
20 when in fact no such interests were ever actually conveyed, and no
21 money or other consideration was ever paid for any such interests.

22 h. Defendant HENSCHER and other co-conspirators would
23 direct the clients to sign the fake deeds, have their signatures
24 notarized, file the fake deeds in county recorders' offices, and
25 return copies of the filed fake deeds to the co-conspirators.

26 i. Defendant HENSCHER and other co-conspirators would
27 send and cause others to send copies of the recorded fake deeds and
28 the bankruptcy petitions to lenders and lender representatives,

1 thereby invoking the protection of the automatic stay of the
2 bankruptcy code, in order to stop foreclosure sales.

3 j. If a lender obtained relief from the automatic stay
4 and scheduled another foreclosure sale, defendant HENSCHER and other
5 co-conspirators would cause the client to sign another fake grant
6 deed that again purported to convey a fractional share of the
7 distressed property to a different fictional debtor; record and cause
8 to be recorded the new fake deed; and send a copy of the new recorded
9 fake deed and new bankruptcy petition to the lender and lender
10 representatives, in order to again stop the sale.

11 k. Defendant HENSCHER and other co-conspirators would
12 repeat this course of action as long as lenders continued to attempt
13 to foreclose on the distressed properties and the clients continued
14 to pay fees, and would thereby continuously delay the sale of the
15 distressed properties, sometimes for years at a time.

16 l. If clients requested reversals of the transfers
17 purportedly implemented by the fake deeds in order to clear title to
18 the distressed properties, defendant HENSCHER and other co-
19 conspirators would sometimes demand that the clients pay fees before
20 they would prepare reconveyance documents purporting to show that the
21 fictional debtors were transferring the fractional interests back to
22 the clients.

23 Eviction Delay

24 m. To delay evictions, defendant HENSCHER and his co-
25 conspirators would, among other things, make it appear that fictional
26 debtors were occupying the distressed properties as tenants and would
27 file and cause others to file Prejudgment Claims of Right to
28 Possession and other legal documents in state court in the names of

1 those fictional debtors, invoking the automatic stay of the
2 bankruptcy code to delay eviction proceedings.

3 n. HENSCHER and his co-conspirators would also amend
4 existing bankruptcy petitions to add the clients' names as DBAs of
5 existing debtors and then send and cause others to send the amended
6 petitions to County Sheriffs' offices, again invoking the automatic
7 stay of the bankruptcy code to delay eviction.

8 o. In this way, defendant HENSCHER and his co-
9 conspirators would interfere with the normal functioning of the state
10 court eviction process, which allowed the clients to stay in
11 properties owned by other people and fraudulently deprived the
12 purchasers of distressed properties of possession and use of those
13 properties.

14 Collection of Fees

15 p. Defendant HENSCHER and his co-conspirators would
16 charge the clients fees for the illegal foreclosure- and eviction-
17 delay services, collecting more than \$7 million in fees for these
18 services.

19 q. Defendant HENSCHER would open and cause others to open
20 bank accounts in CC-7's name and in the name of CC-7's brother in
21 order to try to hide defendant HENSCHER's involvement in the fraud.

22 r. Defendant HENSCHER would direct CC-7 and other co-
23 conspirators to cash large checks made payable to CC-7 and the other
24 co-conspirators, with CC-7 cashing more than \$750,000 in checks
25 during the course of the fraud and other co-conspirators cashing
26 additional checks.

27 4. Among the clients who obtained or tried to obtain
28 foreclosure and eviction delay services from defendant HENSCHER and

1 his co-conspirators in the course of the conspiracy were the
 2 following, who sought those services in connection with the following
 3 properties:

Homeowner / mortgagor	Property address
D.B. (mother J.C.)	Key Route, Albany, California
C.B., D.B.	Beachwood Court, Hayward, California
S.C.	Amanda Place, Pleasanton, California
C.G.	Donovan Drive, San Leandro, California
I.G.	Noble Avenue, Sherman Oaks, California
M.I.	North Santa Fe Avenue, Compton, California
N.M.	Vineland Avenue, Studio City, California
A.N. & P.N. (daughter M.F.)	Fowler Street, Newark, California
J.K.S.	Butterfield Drive, Castro Valley, California
M.S.	Foster Street, Alameda, California
J.W.	Vancouver Common, Fremont, California

5. Among the fraudulent bankruptcies that defendant HENSCHHEL
 and his co-conspirators filed in the course of the conspiracy were:

Bankruptcy Name	Date Filed
In re J.M., 8:12-bk-17281-MW (Bankr. C.D. Cal.)	6/12/12
In re A.A., 2:12-bk-31732-WB (Bankr. C.D. Cal.)	6/22/12
In re Dawon Oldham, 2:12-bk-31733-BB (Bankr. C.D. Cal.)	6/22/12
In re Michael Phat Gieng, 12-19731-TWD (Bankr. W.D. Wash.)	9/24/12
In re Gerardo Gonzalez, 12-35541-HRT (Bankr. D. Colo.)	12/19/12
In re Zare Bekerejian, 13-10446-ABC (Bankr. D. Colo.)	1/14/13
In re Marcus Dwayne, 13-10257-t7 (Bankr. D.N.M.)	1/30/13
In re George Stevenson, 13-10331-t7 (Bankr. D.N.M.)	2/6/13

1 D. OVERT ACTS

2 6. On or about the following dates, in furtherance of the
3 conspiracy and to accomplish its objects, defendant HENSCHHEL,
4 together with CC-1, CC-2, CC-3, CC-4, CC-5, CC-6, CC-7, CC-8, and
5 others known and unknown to the Grand Jury, committed and caused
6 others to commit the following overt acts, among others, in the
7 Central District of California and elsewhere:

8 Overt Act No. 1: On or about October 10, 2010, defendant
9 HENSCHHEL sent CC-2 an email with instructions regarding foreclosure
10 and eviction delay, with text that read in part: "I will call you
11 Tuesday regarding [client's] eviction case."

12 Overt Act No. 2: On or about October 13, 2010, CC-2 sent
13 defendant HENSCHHEL an email regarding foreclosure and eviction delay,
14 with text that read in part: "we need to file Answer for the Second
15 Amended Complaint in [client's] case. Please let me know what to
16 do."

17 Overt Act No. 3: On or about December 9, 2010, defendant
18 HENSCHHEL sent client N.M. an email attaching a fake grant deed to
19 help delay foreclosure on property located on Vineland Avenue in
20 Studio City, California, which was serving as collateral for a
21 mortgage in N.M.'s name.

22 Overt Act No. 4: On or about May 31, 2011, defendant HENSCHHEL
23 sent an email to CC-3 regarding fake grant deeds to delay
24 foreclosure, with text that read in part: "Sometimes we record a new
25 deed even when there is not a sale date, as it makes it more
26 difficult for them to set a new date."

27 Overt Act No. 5: On or about August 1, 2011, defendant HENSCHHEL
28 sent an email to a client representative with text that read in part:

1 "I need the names of 2 people that can say they rent a room at
2 Merridy. Real people."

3 Overt Act No. 6: On or about August 26, 2011, CC-4 sent an email
4 to HENSCHHEL attaching a list of eviction files, which included
5 reference to a property on Merridy Street.

6 Overt Act No. 7: On or about October 18, 2011, CC-4 sent an
7 email to CC-3 with text that read in part: "Please call [CC-2] to get
8 the Deedback. She is the one who always prepares deedbacks and
9 reconveyances."

10 Overt Act No. 8: On or about November 9, 2011, defendant
11 HENSCHHEL sent CC-3 an email attaching a fake grant deed and
12 instructions for client I.G. on how to record the fake grant deed on
13 property located on Noble Avenue in Sherman Oaks, California, which
14 was serving as collateral for a mortgage in I.G.'s name.

15 Overt Act No. 9: On or about December 6, 2011, defendant
16 HENSCHHEL sent an email to a client representative with instructions
17 on how to forge signatures on a formal court filing to delay a
18 client's eviction, with text that read in part: "Attached is the
19 Notice, along with a signature sample.... have it signed on Page 2,
20 Steve Lopez [a fictional debtor]."

21 Overt Act No. 10: On or about December 20, 2011, CC-5 sent an
22 email to client C.B. giving instruction on how to record a fake grant
23 deed on property on Beachwood Court in Hayward, California, which was
24 serving as collateral for a loan in C.B.'s spouse's name.

25 Overt Act No. 11: On or about April 26, 2012, an unidentified
26 co-conspirator sent and caused to be sent a notice of a fraudulent
27 bankruptcy filed in the name of fictional debtor Daryl Lynch and a
28 corresponding fake grant deed to Quality Loan Servicing Center (a

1 foreclosing trustee) to delay foreclosure of a property in Albany,
2 California, occupied by client J.C., which was serving as collateral
3 for a mortgage in J.C.'s son's name.

4 Overt Act No. 12: On or about June 12, 2012, CC-1 filed and
5 caused to be filed, under Title 11 of the United States Code, a
6 fraudulent and unauthorized bankruptcy petition in the name of J.M.,
7 an identity theft victim, which was assigned case number 8:12-bk-
8 17281-MW, in the United States Bankruptcy Court for the Central
9 District of California.

10 Overt Act No. 13: On or about June 22, 2012, an unidentified co-
11 conspirator filed and caused to be filed, under Title 11 of the
12 United States Code, a fraudulent and unauthorized bankruptcy petition
13 in the name of A.A., an identity theft victim, which was assigned
14 case number 2:12-bk-31732-WB, in the United States Bankruptcy Court
15 for the Central District of California.

16 Overt Act No. 14: On or about June 22, 2012, an unidentified co-
17 conspirator filed and caused to be filed, under Title 11 of the
18 United States Code, a fraudulent bankruptcy petition in the name of
19 Dawon Oldham, a fictional debtor, which was assigned case number
20 2:12-bk-31733-BB, in the United States Bankruptcy Court for the
21 Central District of California.

22 Overt Act No. 15: On or about July 20, 2012, defendant HENSCHER
23 emailed CC-4 the bankruptcy petition filed in the name of identity
24 theft victim J.M.

25 Overt Act No. 16: On or about September 24, 2012, an
26 unidentified co-conspirator filed and caused to be filed, under Title
27 11 of the United States Code, a fraudulent bankruptcy petition in the
28 name of Michael Phat Gieng, a fictional debtor, which was assigned

1 case number 12-19731-TWD, in the United States Bankruptcy Court for
2 the Western District of Washington.

3 Overt Act No. 17: On or about September 28, 2012, an
4 unidentified co-conspirator sent and caused to be sent a notice of a
5 fraudulent bankruptcy filed in the name of fictional debtor Michael
6 Phat Gieng and a corresponding fake grant deed to Quality Loan
7 Servicing Center (a foreclosing trustee) to delay foreclosure of a
8 property in Albany, California, occupied by client J.C., which was
9 serving as collateral for a mortgage in J.C.'s son's name.

10 Overt Act No. 18: On or about September 28, 2012, client J.C.,
11 in accordance with defendant HENSCHER's instructions, sent a recorded
12 fake grant deed to co-conspirators to delay foreclosure of property
13 in Albany, California, which was serving as collateral for a loan in
14 J.C.'s son's name.

15 Overt Act No. 19: On or about October 10, 2012, CC-4 sent
16 HENSCHER an email with text that read: "Mickey, the current BK
17 petition # is 12-19731-TWD," which was the bankruptcy case number for
18 the bankruptcy filed in the name of fictitious debtor Michael Phat
19 Gieng.

20 Overt Act No. 20: On or about October 11, 2012, CC-6 sent CC-3
21 an email confirming receipt of a fake grant deed prepared for client
22 C.G. to delay foreclosure on property on Donovan Drive in San
23 Leandro, California, which was serving as collateral for a mortgage
24 in C.G.'s name.

25 Overt Act No. 21: On or about October 15, 2012, client C.G., at
26 CC-6's instruction, sent CC-6 an executed document titled
27 "Authorization to Perform," which purported to authorize CC-6 "to
28

1 conduct and initiate any business matters relevant for the purpose of
2 structuring a Deed of Trust for [C.G.'s] property."

3 Overt Act No. 22: On or about October 15, 2012, an unidentified
4 co-conspirator sent and caused to be sent a notice of a fraudulent
5 bankruptcy filed in the name of fictional debtor Michael Phat Gieng
6 and a corresponding fake grant deed to Title Trust Deed (a
7 foreclosing trustee) to delay foreclosure of a property on Donovan
8 Drive in San Leandro, California, which was serving as collateral for
9 a mortgage in C.G.'s name.

10 Overt Act No. 23: On or about October 16, 2012, CC-4 sent client
11 C.G. an email notifying C.G. that the trustee sale of C.G.'s property
12 on Donovan Drive in San Leandro had been delayed from October 15,
13 2012 to November 15, 2012, and attaching an "invoice regarding the
14 postponement."

15 Overt Act No. 24: On or about October 22, 2012, CC-3 sent an
16 email to client P.N. (through P.N.'s daughter M.F.) responding to a
17 question regarding whether the foreclosure sale had been stopped with
18 respect to property on Fowler Street in Newark, California, which was
19 serving as collateral for a mortgage in P.N.'s name, with text that
20 read: "It has not because we haven't sent in the documents yet. It's
21 better to wait and send it a day or two before the sale date because
22 if we send it early then they will start working on dismissing it
23 right away."

24 Overt Act No. 25: On or about October 31, 2012, CC-3 sent an
25 email to CC-6 regarding a question about a client's liability for the
26 loan described in the fake grant deed, and a request to change the
27 description of an irrevocable trust to a revocable trust, with text
28 that read in part: "You can change it to Revocable on the deed.

1 Doesn't matter [CC-6], you know we remove the lean anytime they ask
2 us to anyway. The 65K lean has to be there because if the amount is
3 low then the bank can pay it off and foreclose."

4 Overt Act No. 26: On or about November 15, 2012, CC-7 cashed a
5 check in the amount of \$16,000, drawn on a bank account at Bank of
6 America N.A., account ending in 6577, maintained in the name of "The
7 Co Value Line Service Trust," on which CC-7's brother was a signatory
8 (the "Value Line Service Trust Account").

9 Overt Act No. 27: On or about November 16, 2012, CC-7 cashed a
10 check in the amount of \$9,600, drawn on the Value Line Service Trust
11 Account.

12 Overt Act No. 28: On or about November 20, 2012, CC-3 sent an
13 email to client M.S. giving instructions on how to record a fake
14 grant deed on property on Foster Street in Alameda, California, which
15 was serving as collateral for a mortgage in M.S.'s name.

16 Overt Act No. 29: On or about November 21, 2012, CC-3 sent an
17 email to client M.S. forwarding a message from defendant HENSCHER in
18 response to a question regarding the client's liability for the loan
19 described in the fake grant deed, stating: "You are not liable for
20 any amount."

21 Overt Act No. 30: On or about November 23, 2012, a potential
22 client sent an email to CC-8 with text that read: "Hi called today
23 and asked to call back for [CC-8] since he does foreclosures."

24 Overt Act No. 31: On or about November 29, 2012, an unidentified
25 co-conspirator sent and caused to be sent a notice of a bankruptcy
26 filing to delay foreclosure of property in Castro Valley, California,
27 which was serving as collateral for a mortgage in client J.K.S.'s
28 name; attached was fabricated documentation that purported to show a

1 bankruptcy petition filed in the name of debtor Roberta Lopez, which
2 does not correspond to any actual bankruptcy filing.

3 Overt Act No. 32: On or about November 30, 2012, CC-7 cashed a
4 check in the amount of \$9,500, drawn on the Value Line Service Trust
5 Account.

6 Overt Act No. 33: On or about December 5, 2012, CC-7 cashed a
7 check in the amount of \$9,530, drawn on the Value Line Service Trust
8 Account.

9 Overt Act No. 34: On or about December 17, 2012, CC-6 sent an
10 email to CC-3 regarding releasing a lien on property located on
11 Amanda Place in Pleasanton, California, which was serving as
12 collateral for a mortgage in client S.C.'s name, with text that read:
13 "Urgent that we get Release of Lien immediately!!!"

14 Overt Act No. 35: On or about December 17, 2012, CC-3 sent
15 defendant HENSCHER an email regarding CC-6's email about the property
16 in Pleasanton, California, with text that read in part: "We lost his
17 house and the owner wants the release of lien and the BK info. I
18 told him I can't provide the BK info unless there is an attorney
19 involved and I also told him that I might not be able to get him the
20 release until Friday. [CC-6] is panicking thinking the owner is
21 going to report us to the District Atty."

22 Overt Act No. 36: On or about December 19, 2012, an unidentified
23 co-conspirator filed and caused to be filed, under Title 11 of the
24 United States Code, a fraudulent bankruptcy petition in the name of
25 Gerardo Gonzalez, a fictional debtor, which was assigned case number
26 12-35541-HRT, in the United States Bankruptcy Court for the District
27 of Colorado.

28

1 Overt Act No. 37: On or about January 4, 2013, an unidentified
2 co-conspirator sent and caused to be sent a notice of a fraudulent
3 bankruptcy filed in the name of fictional debtor Gerardo Gonzalez and
4 a corresponding fake grant deed to Quality Loan Servicing Center (a
5 foreclosing trustee) to delay foreclosure of a property in Albany,
6 California, occupied by client J.C., which was serving as collateral
7 for a mortgage in J.C.'s son's name.

8 Overt Act No. 38: On or about January 14, 2013, an unidentified
9 co-conspirator filed and caused to be filed, under Title 11 of the
10 United States Code, a fraudulent bankruptcy petition in the name of
11 Zare Bekeregian, a fictional debtor, which was assigned case number
12 13-10446-ABC, in the United States Bankruptcy Court for the District
13 of Colorado.

14 Overt Act No. 39: On or about January 30, 2013, an unidentified
15 co-conspirator filed and caused to be filed, under Title 11 of the
16 United States Code, a fraudulent bankruptcy petition in the name of
17 Marcus Dwayne, a fictional debtor, which was assigned case number 13-
18 10257-t7, in the United States Bankruptcy Court for the District of
19 New Mexico.

20 Overt Act No. 40: On or about February 6, 2013, an unidentified
21 co-conspirator filed and caused to be filed, under Title 11 of the
22 United States Code, a fraudulent bankruptcy petition in the name of
23 George Stevenson, a fictional debtor, which was assigned case number
24 13-10331-t7, in the United States Bankruptcy Court for the District
25 of New Mexico.

26 Overt Act No. 41: On or about February 6, 2013, an unidentified
27 co-conspirator sent and caused to be sent a notice of a fraudulent
28 bankruptcy filed in the name of fictional debtor Zare Bekerejian and

1 a corresponding fake grant deed to Quality Loan Servicing Center (a
2 foreclosing trustee) to delay foreclosure of a property on Key Route
3 Boulevard in Albany, California, occupied by client J.C., which was
4 serving as collateral for a mortgage in J.C.'s son's name.

5 Overt Act No. 42: On or about February 6, 2013, CC-3 sent emails
6 to client J.W. giving instruction on how to record a fake grant deed
7 on property on Vancouver Common in Fremont, California, which was
8 serving as collateral for a mortgage in J.W.'s name.

9 Overt Act No. 43: On or about February 14, 2013, CC-4 sent
10 client J.W. an invoice for \$750 for foreclosure delay services.

11 Overt Act No. 44: On or about February 14, 2013, an unidentified
12 co-conspirator sent and caused to be sent a notice of a fraudulent
13 bankruptcy filed in the name of fictional debtor Zare Bekerejian and
14 a corresponding fake grant deed to ATC Assessment Collection (a
15 foreclosing trustee) to delay foreclosure of a property on Vancouver
16 Common in Fremont, California, which was serving as collateral for a
17 mortgage in J.W.'s name.

18 Overt Act No. 45: On or about February 18, 2013, CC-3 forwarded
19 an email to defendant HENSCHER from a client representative with a
20 subject line that read in part "He wants money back" and the text of
21 the forwarded email reading in part: "[CC-3]; Bad news we wont be
22 moving forward. I would like a refund check prorated from 2/19
23 through 2/28 for not stoping [sic] the foreclosure as you promised.
24 After speaking with two attorney [sic] there is a consensus that
25 (1) The Banks are being defrauded by the delay tactic. (2) I could
26 lose my Real Estate licence [sic]. (3) The bank could sue me for
27 mortgage fraud. You might want to consider your next Career move."
28

1 Overt Act No. 46: On or about February 22, 2013, client J.W., at
2 CC-3's instruction deposited \$750 by check into the Value Line
3 Service Trust Account, in payment for delaying foreclosure on
4 property on Vancouver Common in Fremont, California, which was
5 serving as collateral for a mortgage in J.W.'s name.

6 Overt Act. No. 47: On or about June 4, 2013, CC-4 sent defendant
7 HENSCHER an email attaching a bankruptcy petition in the name of
8 fictional debtor Michael Phat Gieng, and a fake grant deed filed on
9 property on Noble Avenue in North Hills, California, which was
10 serving as collateral for a mortgage in L.S.R.C.'s name, with text
11 read in part: "Mickey, Here is the BK petition and deed for
12 [client]'s house."

13 Overt Act No. 48: On or about June 10, 2013, client M.S., at CC-
14 3's instruction, sent confirmation of a deposit of \$700 into a Bank
15 of America account ending in 6032, in payment for delaying
16 foreclosure on property on Foster Street in Alameda, California,
17 which was serving as collateral for a mortgage in M.S.'s name.

18 Overt Act No. 49: On or about July 15, 2013, CC-3 sent defendant
19 HENSCHER and CC-4 an email with text that read: "When I cancel files
20 I will include the home owners in the email and sometimes tell you to
21 dismiss the bk. I understand that you are not going to but I want to
22 scare them."

COUNTS TWO THROUGH NINE

[18 U.S.C. §§ 157(1), 2]

7. The Grand Jury hereby repeats and realleges paragraphs 1 and 3 through 6 of this Indictment, as if fully set forth herein.

A. THE FRAUDULENT SCHEME

8. Beginning on a date unknown but no later than in or about October 2010 and continuing through at least in or about July 2013, in Los Angeles County, within the Central District of California, and elsewhere, defendant HENSCHER, together with others known and unknown to the Grand Jury, knowingly and with intent to defraud, devised and executed a scheme to defraud mortgage lenders and purchasers of foreclosed properties as to material matters.

9. The fraudulent scheme was carried out, in substance, in the manner and through the means described in paragraphs 1 and 3 through 6 of this Indictment.

B. BANKRUPTCY FILINGS FOR THE PURPOSE OF EXECUTING THE FRAUDULENT SCHEME

10. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, defendant HENSCHER, together with others known and unknown to the Grand Jury, aiding and abetting each other, for the purpose of executing the fraudulent scheme described above, filed and willfully caused others to file the following petitions under Title 11 of the United States Code:

COUNT	DATE	ACT
TWO	6/12/12	Bankruptcy petition in the name of identity theft victim J.M., assigned case number 8:12-bk-17281-MW, in the Central District of California

COUNT	DATE	ACT
THREE	6/22/12	Bankruptcy petition in the name of identity theft victim A.A., assigned case number 2:12-bk-31732-WB, in the Central District of California
FOUR	6/22/12	Bankruptcy petition in the name of Dawon Oldham, a fictional debtor, assigned case number 2:12-bk-31733-BB, in the Central District of California
FIVE	9/24/12	Bankruptcy petition in the name of debtor Michael Phat Gieng, a fictional debtor, assigned case number 12-19731-TWD, in the Western District of Washington
SIX	12/19/12	Bankruptcy petition in the name of Gerardo Gonzalez, a fictional debtor, assigned case number 12-35541-HRT, in the District of Colorado
SEVEN	1/14/13	Bankruptcy petition in the name of Zare Bekerejian, a fictional debtor, assigned case number 13-10446-ABC, in the District of Colorado
EIGHT	1/30/13	Bankruptcy petition in the name of Marcus Dwayne, a fictional debtor, assigned case number 13-10257-t7, in the District of New Mexico
NINE	2/6/13	Bankruptcy petition in the name of George Stevenson, a fictional debtor, assigned case number 13-10331-t7, in the District of New Mexico

COUNTS TEN AND ELEVEN

[18 U.S.C. § 1343]

11. The Grand Jury hereby repeats and realleges paragraphs 1 and 3 through 6 of this Indictment, as if fully set forth herein.

A. THE FRAUDULENT SCHEME

12. Beginning on a date unknown but no later than in or about October 2010 and continuing through at least in or about July 2013, in Los Angeles County, within the Central District of California, and elsewhere, defendant HENSCHHEL, together with others known and unknown to the Grand Jury, knowingly and with intent to defraud, devised and executed a scheme to defraud homeowner clients, mortgage lenders, and purchasers of foreclosed properties as to material matters, and to obtain money and property from homeowner clients, mortgage lenders, and purchasers of foreclosed properties by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

13. The fraudulent scheme was carried out, in substance, in the manner and through the means described in paragraphs 1 and 3 through 6 of this Indictment.

B. USE OF THE WIRES

14. On or about the dates set forth below, within the Central District of California, and elsewhere, defendant HENSCHHEL, for the purpose of executing the above-described scheme to defraud, transmitted and caused to be transmitted, by means of wire and radio communication in interstate and foreign commerce, the following items:

COUNT	DATE	ACT
TEN	1/30/13	Fax transmittal cover sheet and enclosed documents, sent via FAX from Van Nuys, California, to Albuquerque, New Mexico, related to a bankruptcy petition filed in the name of Marcus Dwayne, a fictional debtor, in the District of New Mexico under case number 13-10257-t7
ELEVEN	2/6/13	Fax transmittal cover sheet and enclosed documents, sent via FAX from Van Nuys, California, to Albuquerque, New Mexico, related to a bankruptcy petition filed in the name of George Stevenson, a fictional debtor, in the District of New Mexico under case number 13-10331-t7

A TRUE BILL

Foreperson

15

SANDRA R. BROWN
Acting United States Attorney

Scott Ganninger
Deputy Chief, Criminal Division For:
LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division

GEORGE S. CARDONA
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Deputy Chief, Major Frauds Section

KERRY L. QUINN
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