



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JASON HONG,

Defendant.

No. CR

C R 16-0212

I N F O R M A T I O N

[18 U.S.C. § 371: Conspiracy]

The United States charges:

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Information:

1. Defendant JASON HONG ("defendant") was a resident of Los Angeles County, California. From in or around February 2010 to in or around June 2015, defendant was employed by Owner Management Service, LLC, d/b/a Trust Holding Service Co. and affiliated companies (collectively, "the Companies"), located at 20960 Knapp Street, Chatsworth, California.

1 2. Defendant's co-conspirators included the following
2 and others known and unknown to the United States:

3 a. Co-conspirator D.M., a resident of Los Angeles
4 County, within the Central District of California, was a
5 beneficial owner and officer of the Companies.

6 b. Co-conspirator T.M., a resident of Los Angeles
7 County, within the Central District of California, was a
8 beneficial owner, officer, and primary finance manager for the
9 Companies.

10 c. Co-conspirator Jn.M., a resident of Los Angeles
11 County, within the Central District of California, was an
12 officer and the head of the short sale department for the
13 Companies.

14 d. Co-conspirator Jm.M., a resident of Los Angeles
15 County, within the Central District of California, was an
16 officer and a primary property manager, among other roles, for
17 the Companies.

18 e. Co-conspirator R.G., a resident of Los Angeles
19 County, within the Central District of California, was a manager
20 for the Companies.

21 3. Wells Fargo was a federally chartered financial
22 institution, the deposits of which were insured by the Federal
23 Deposit Insurance Corporation ("FDIC"). Wells Fargo was a
24 "financial institution" as defined in 18 U.S.C. § 20. Wells
25 Fargo funded mortgage loans for properties in the Central
26 District of California and elsewhere.

1 B. THE OBJECTS OF THE CONSPIRACY

2 4. From in or about 2010 through in or about 2014, the
3 exact dates being unknown to the United States, in Los Angeles
4 County, within the Central District of California, and
5 elsewhere, defendant JASON HONG, and others known and unknown to
6 the United States, knowingly and willfully combined, conspired,
7 and agreed to commit the following offenses against the United
8 States: (1) wire fraud, that is, with intent to defraud, to
9 devise and intend to devise a scheme and artifice to defraud,
10 and to obtain money and property by means of materially false
11 and fraudulent pretenses, representations, and promises, and for
12 the purpose of executing the scheme to transmit and cause to be
13 transmitted certain wire communications in interstate and
14 foreign commerce, in violation of 18 U.S.C. § 1343, and (2)
15 knowingly making false statements for the purpose of influencing
16 the actions of an institution the accounts of which are insured
17 by the FDIC, in violation of 18 U.S.C. § 1014.

18 C. THE MANNER AND MEANS OF THE CONSPIRACY

19 5. The objects of the conspiracy were carried out, and
20 were to be carried out, in substance, as follows:

21 a. Co-conspirators D.M. and others would identify
22 borrowers whose properties were nearing foreclosure
23 (hereinafter, "distressed borrowers" and "distressed
24 properties").

25 b. Co-conspirators D.M. and others would convince
26 distressed borrowers to transfer title for the distressed
27 properties to trusts controlled by the co-conspirators, based on
28

1 the representation by the co-conspirators that they would
2 perform a short sale on behalf of the distressed borrowers.

3 c. Instead of performing short sales as represented,
4 co-conspirators D.M. and others rented the distressed properties
5 to third parties, collecting rent and not paying the mortgages
6 on the distressed properties.

7 d. At the direction of D.M., Jn.M., and other co-
8 conspirators, defendant HONG and other co-conspirators engaged
9 in various tactics designed to delay foreclosure on the
10 distressed properties so the co-conspirators could continue the
11 collection of rent from those properties. These tactics
12 included: (1) fabricating short sale offers for distressed
13 properties using stolen and fictitious identities and submitting
14 those offers to lenders, including financial institutions
15 insured by the FDIC; (2) falsifying financial and tax statements
16 for distressed borrowers, including by forging the signatures of
17 distressed borrowers, and submitting them, in most instances by
18 wire, that is, facsimile communication, through interstate
19 commerce, to lenders including financial institutions insured by
20 the FDIC; and (3) filing bankruptcy petitions for distressed
21 borrowers without their knowledge, including by forging the
22 signatures of distressed borrowers on the petitions. As a result
23 of those tactics, the lenders, including financial institutions
24 insured by the FDIC, were exposed to new and increased risk of
25 loss.

26 e. The co-conspirators would cause payments to be
27 made to themselves from the proceeds of the scheme, including
28 rental income from the distressed properties.

1 f. One distressed property was located at 13243
2 Bryson Street, Arleta, California ("Bryson Street Property"), in
3 the Central District of California. Wells Fargo was the lender
4 for the Bryson Street Property.

5 D. OVERT ACTS

6 6. In furtherance of the conspiracy, and to carry out
7 its objects, the following overt acts, among others, were
8 committed by members of the conspiracy within the Central
9 District of California and elsewhere:

10 a. On or about February 5, 2010, a member of the
11 conspiracy filed a fabricated bankruptcy petition, including a
12 forged signature, for distressed borrower J.V., the owner of the
13 Bryson Street Property.

14 b. On or about April 9, 2010, a member of the
15 conspiracy filed a second fabricated bankruptcy petition,
16 including a forged signature, for distressed borrower J.V.

17 c. On or about July 21, 2010, defendant HONG
18 fabricated an Explanation Letter, including a forged signature,
19 containing false information related to the employment income of
20 distressed borrower J.V.

21 d. On or about August 24, 2010, a member of the
22 conspiracy filed a third fabricated bankruptcy petition,
23 including a forged signature, for distressed borrower J.V.

24 e. On or about October 4, 2010, a member of the
25 conspiracy filed a fourth fabricated bankruptcy petition,
26 including a forged signature, for distressed borrower J.V.

27 f. On or about January 6, 2011, co-conspirator Jn.M.
28 fabricated a Financial Worksheet for distressed borrower J.V.,

1 including a forged signature, containing false information
2 related to the Bryson Street Property.

3 g. On or about June 6, 2011, defendant HONG and his
4 co-conspirators falsified a loan pre-approval letter for fake
5 short sale buyer S.M.L. for the Bryson Street Property.

6 h. On or about June 22, 2011, defendant HONG and his
7 co-conspirators falsified a Short Sale Addendum, which reflected
8 a fictitious short sale offer by S.M.L. for the Bryson Street
9 Property, which included forged signatures of S.M.L. and J.V.

10 i. On or about April 3, 2014, defendant HONG
11 fabricated a Loan Modification Form for distressed borrower
12 J.V., including a forged signature, containing false information
13 related to the Bryson Street Property.

14 j. On or about April 24, 2014, defendant HONG, at
15 the direction of co-conspirator D.M., emailed distressed
16 borrower J.V. requesting new financial information, including
17 recent pay stubs and copies of tax returns.

18 k. On or about August 29, 2014, a member of the
19 conspiracy filed a fifth fabricated bankruptcy petition,
20 including a forged signature, for distressed borrower J.V.

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