

U.S. Attorney's Report to the District

The Central Valley was hit harder than almost anywhere else in the nation by the foreclosure crisis, and part of that crisis was caused by unscrupulous persons in the real estate and mortgage industries who perpetrated fraudulent schemes. When I was sworn in as U.S. Attorney in November 2009, I made combating mortgage fraud one of my top priorities. I was named a co-chair of the Mortgage Fraud Working Group of the President's Financial Fraud Enforcement Task Force, and my second Report to the District, in February of last year, was on mortgage fraud (see Issue #2).

The Mortgage Fraud Working Group helped organize Operation Stolen Dreams, the largest coordinated multi-agency mortgage fraud enforcement operation ever. The three and a half month operation, from March through mid-June 2010, resulted in federal criminal charges being brought against over 1,500 defendants nationwide, and hundreds more being charged in state courts or being named in civil enforcement actions. Here in the Eastern District of California, we filed 16 felony cases charging 46 defendants with federal mortgage fraud offenses as part of Operation Stolen Dreams. We also secured eleven guilty pleas and one defendant was sentenced, and many more were charged by District Attorneys Fresno, Merced, San Joaquin, Sacramento, Stanislaus, and Tulare as part of the operation. While Operation Stolen Dreams was a success, I said at that time that it was only a beginning. (See Issue #5.) We have continued to focus on mortgage fraud, and since the conclusion of Operation Stolen Dreams a year ago, Assistant U.S. Attorneys in this office have been developing new mortgage fraud cases as well as litigating old ones.

In the last 12 months, prosecutors in this office have filed 17 new indictments charging 47 new defendants with mortgage fraud offenses. During that same 12 month period, we have obtained guilty pleas or convictions of 40 defendants in mortgage fraud cases and 15 defendants have been sentenced to prison. Prison terms have ranged from nine months to 82 months, and millions of dollars in restitution have been ordered.

These are challenging cases. Many of them involve complex schemes, with multiple defendants and multiple property transactions worth millions of dollars. They are labor intensive and document heavy cases. The dedicated prosecutors in this office, working with federal, state and local investigators through task forces in Sacramento and Fresno, have been extremely productive in attacking the mortgage fraud problem in this district. But we are far from done, and more indictments are anticipated.

For more information on the Financial Fraud Enforcement Task Force, visit *StopFraud.gov*.

Thank you.
United States Attorney
Benjamin B. Wagner