



Department of Justice

United States Attorney Robert E. O'Neill
Middle District of Florida

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**14 DEFENDANTS CHARGED IN LARGE-SCALE MORTGAGE FRAUD
CONSPIRACY INVOLVING OVER \$47 MILLION IN LOANS
AND 22 RESIDENTIAL PROPERTIES IN SARASOTA, FL**

Tampa, Florida - United States Attorney Robert E. O'Neill; Sarasota County Sheriff Tom Knight; Steven E. Ibison, Special Agent in Charge, Federal Bureau of Investigation, Tampa; and Gary Sherrill, Deputy Assistant Inspector General for Investigation, Federal Deposit Insurance Corporation (FDIC), Office of Inspector General announced today the unsealing of a 44-count indictment charging 14 defendants with conspiracy to make false statements to federally insured banks in connection with mortgage loans, to commit wire fraud, and crimes related to their fraudulent acquisition of over \$47 million in mortgage loans and 22 residential properties in the Sarasota, FL area. According to the indictment, the defendants' conspiratorial activities spanned over 10 years – between at least October 1997 and March 2008. The indictment alleges the defendants' use of, among other means, false statements and fraudulent representations on financing documents to obtain loans from nearly a dozen federally insured banks and private mortgage lenders doing business in the Sarasota, FL area. The false and fraudulent statements made by the defendants included, but were not limited to, the true seller and purchaser/borrower in the transaction; the property's actual purchase/sale price; the purchaser/borrower's intended use of the property; the purchaser/borrower's income, assets and liabilities; and the amount and

source of the equity contributed to the purchase of the property by the purchaser/borrower. As a result of the defendants' fraudulent conduct, most of the residential properties referenced in the indictment have been, or are now, the subject of foreclosure proceedings.

The indicted defendants are:

R. Craig Adams, (43, Sarasota), who was previously employed as a real estate agent working principally in the Sarasota, FL area, Adams also acted as a mortgage broker from time to time, and bought and sold residential real property in Sarasota, FL on his own account.

Richard J. Bobka, (41, Sarasota), who was likewise previously employed as a real estate agent working principally in the Sarasota, FL area. Bobka, like Adams, also acted a mortgage broker from time to time, and bought and sold residential real property in Sarasota, FL on his own account as well.

George R. Bobka, Sr., (75, Sarasota), the father of co-defendants Richard J. Bobka and George R. Cavallo, who bought and sold residential real property in the Sarasota, FL area through co-defendants R. Craig Adams and Richard J. Bobka.

George R. Cavallo, (45, Kirkland, WA), the husband of co-defendant Paula L. Hornberger, who also bought and sold residential real property in the Sarasota, FL area through co-defendants R. Craig Adams and Richard J. Bobka.

Paula L. Hornberger, (40, Kirkland, WA), the wife of co-defendant George R. Cavallo, who likewise bought and sold residential real property in the Sarasota, FL area through co-defendants R. Craig Adams and Richard J. Bobka.

Lisa R. Rotolo, (47, Bradenton), who was a title agent and owner of Diamond Title of Sarasota, Inc. in Sarasota, FL, where she worked with co-defendant Bonnie J. Katz.

Bonnie J. Katz, (58, Sarasota), who was as a settlement or escrow officer employed by co-defendant Lisa R. Rotolo at Diamond Title of Sarasota, Inc.

Jeffrey T. Berghorn, (46, Bradenton), who bought and sold residential real property in the Sarasota, FL area through co-defendants R. Craig Adams and Richard J. Bobka.

Thomas M. Brustad, (41, Sarasota), who also bought and sold residential real property in the Sarasota, FL area through co-defendants R. Craig Adams and Richard J. Bobka.

Joseph J. Dirocco, (41, Sarasota), who likewise bought and sold residential real property in the Sarasota, FL area through co-defendants R. Craig Adams and Richard J. Bobka.

Jonathan L. Glucker, (43, Sarasota), the husband of co-defendant Heather L. Kabobel, who was previously employed as a loan officer for several mortgage brokers.

Heather L. Kabobel, (39, Sarasota), the wife of co-defendant Jonathan L. Glucker, who was employed as an appraiser.

Derek W. Luther, (40, Sarasota), who bought and sold residential real property in the Sarasota, FL area through co-defendants R. Craig Adams and Richard J. Bobka.

Joel A. Streinz, (52, Nokomis, FL), who bought and sold residential real property in the Sarasota, FL area through co-defendants R. Craig Adams and Richard J. Bobka.

The maximum penalties for a violation of conspiracy (18 U.S.C. § 371) include five years in federal prison and a fine of \$1,000,000. The maximum penalties for a violation of making false statements to a financial institution in connection with a loan (18 U.S.C. § 1014) and wire fraud include 30 years in federal prison and a fine of \$1,000,000. The indictment also notified defendants that the United States intends to forfeit all of the

proceeds they obtained as a result of the mortgage and wire fraud charges in the indictment.

United States Attorney O'Neill stated, "Mortgage fraud has negatively affected many areas of Florida. This case represents the depth of that impact and the tenacious commitment by law enforcement, at all levels, to vigorously investigate and prosecute these types of crimes."

"Dismantling fraudulent activity such as this is an intricate task," said Sheriff Knight. "Unraveling this conspiracy involved a complex analysis of nearly 200 mortgages, almost 50 bank accounts, the investigation of dozens of individuals, plus hundreds of interviews, reports and subpoenas. I am proud of the working relationship that my agency has forged with the federal agencies here today. Their collaboration and dedication of resources sends a clear message to citizens that mortgage fraud will not go unchecked in Sarasota County."

"The Federal Deposit Insurance Corporation Office of Inspector General is pleased to join the Federal Bureau of Investigation, the Sarasota County Sheriff's Office, and the United States Attorney in announcing these Indictments today. We are committed to our partnerships with others in federal, state, and local law enforcement organizations as we address mortgage fraud cases throughout the country," said Jon T. Rymer, Inspector General, Federal Deposit Insurance Corporation. "The American people need to be assured that their government is working to ensure integrity in the financial services and housing industries and that those involved in criminal misconduct that undermines that integrity will be held accountable."

The criminal investigation was jointly conducted by the Federal Bureau of Investigation, the Federal Deposit Insurance Corporation, Office of Inspector General, and

the Sarasota County Sheriff's Office. It is being prosecuted by Assistant United States Attorney Christopher P. Tuite.

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent unless, and until, proven guilty.