

# California Mother And Son Arrested For Operating A \$5 Million Mortgage Modification Fraud

Audrey Strauss, the Acting United States Attorney for the Southern District of New York, and Philip R. Bartlett, Inspector-in-Charge of the New York Office of the United States Postal Inspection Service ("USPIS"), announced that EVA CHRISTINE RODRIGUEZ and SERGIO LORENZO RODRIGUEZ, mother and son, of Orange County, California, were arrested and charged with wire fraud offenses in connection with a fraudulent foreclosure rescue scheme that took in more than \$5 million in prohibited advance fees from thousands of financially distressed homeowners.

Acting Manhattan U.S. Attorney Audrey Strauss said: "As alleged, Eva Christine Rodriguez and Sergio Lorenzo Rodriguez preyed on vulnerable homeowners at risk of foreclosure by making false and misleading promises that they knew they would not or could not keep. They allegedly continued to do so even after they were barred from the debt relief industry by a federal court in California. They now face serious criminal charges."

USPIS Inspector-in-Charge Philip R. Bartlett said: "Loan Modification Scams are a cruel fraud targeting very desperate homeowners faced with losing their homes. While a loan modification may appear to be a lifeline, these scams often become a nightmare. This is allegedly what happened to victims who did business with Eva and Sergio Rodriguez. Postal Inspectors remain on alert for fraud scams targeting consumers, bringing fraudsters to justice worldwide."

According to the Complaint<sup>[1]</sup> unsealed today in Manhattan federal court:

From approximately March 2014 through April 2018, EVA CHRISTINE RODRIGUEZ and SERGIO LORENZO RODRIGUEZ (the "Defendants") owned and/or managed a series of mortgage modification companies through which they perpetrated a scheme to defraud and attempt to defraud financially distressed consumers who were facing or were at imminent risk of foreclosure through deceptive marketing practices. Those companies were National Servicing Center, American Home Servicing Center, National Advocacy Center, National Advocacy Group, and Capital Home Advocacy Center (collectively, the "Companies"). Among other ways, the Defendants charged desperate homeowners thousands of dollars in prohibited advance fees by tricking them into believing that they had been pre-approved by their lender or servicer for a mortgage modification; falsely represented prohibited advance fees to be closing costs or other non-prohibited costs; fraudulently claimed that the Companies achieved success rates of 95 percent or higher for mortgage modifications; and made empty promises of a no-risk money back guarantee. As a result of their intentional misrepresentations, and misrepresentations that they encouraged their subordinates to make, the Defendants induced thousands of homeowners to pay an aggregate of more than \$5 million in prohibited advance fees to the Companies, including a large number of consumers who were ultimately denied mortgage modifications or who received modification offers that were less favorable than they had been led to expect at the time they paid advance fees.

In February 2018, the Federal Trade Commission brought a civil lawsuit against EVA CHRISTINE RODRIGUEZ and SERGIO LORENZO RODRIGUEZ, among others, in federal court in Santa Ana, California. That civil action resulted first in a temporary restraining order and then a permanent injunction barring EVA CHRISTINE RODRIGUEZ and SERGIO LORENZO RODRIGUEZ from marketing and selling all debt relief products and services. As alleged in the Complaint, the Defendants flouted those judicial orders by having a relative create another mortgage modification company named 1st Premier Asset Solutions, which the Defendants operated using aliases and some of the same deceptive practices.

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EVA CHRISTINE RODRIGUEZ, 65, of Laguna Hills, California, and SERGIO LORENZO LAWRENCE, 46, of Laguna Niguel, California, are each charged with one count of conspiracy to commit wire fraud and one count of wire fraud. Each count carries a maximum sentence of 20 years in prison and a maximum fine of \$250,000 or twice the gross gain or loss from the offense. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Ms. Strauss praised the investigative work of the USPIS and thanked the Federal Trade Commission and the United States Trustee for Region 5 for their assistance.

This case is being handled by the Complex Frauds and Cybercrime Unit. Assistant U.S. Attorney Sarah Lai is in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendants are presumed innocent unless and until proven guilty.

<sup>[1]</sup> As the introductory phrase signifies, the entirety of the text of the Complaint and the description of the Complaint set forth herein constitute only allegations and every fact described should be treated as an allegation.

