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August 30, 2010
FOR IMMEDIATE RELEASE
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**CALIFORNIA COUPLE PLEAD GUILTY IN MORTGAGE FRAUD SCHEME
INVOLVING FOUR BALTIMORE PROPERTIES**

Fraud Resulted in Loss of Over \$1 Million to Lenders

Baltimore, Maryland - Rheena Bartolome, age 30, and her husband Robert Silver, age 32, both of Los Angeles, California, pleaded guilty today to wire fraud and money laundering in connection with the purchase of four Baltimore properties.

The guilty plea was announced by United States Attorney for the District of Maryland Rod J. Rosenstein and Special Agent in Charge Rebecca Sparkman of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office.

According to their plea agreements, Bartolome, Silver and a partner formed a company called Dream Day Real Estate Developers LLC to purchase "shell" properties in Maryland, rehab them into multi-family units, rent them out, collect rental income and eventually sell the properties at a profit. Silver would identify properties that were potentially profitable. Bartolome, a mortgage broker, would purchase the properties in her name because she had excellent credit and a good job. The partner and Silver formed a contracting company called Dream Day Contracting through which the partner could do the rehab work.

Beginning in March 2005, Dream Day purchased five properties in Baltimore: 1926 McCulloh; 2302 McCulloh; 2306 McCulloh; 2308 McCulloh; and 41 S. Poppleton. Bartolome secured the mortgages and construction loans in her name and the partner performed the rehab work. Silver traveled from California to Maryland monthly to supervise the rehab work. During 2006, Silver stopped traveling to Baltimore and in his absence, the construction projects started to fall behind. The properties could not pass state building inspections. Dream Day decided to sell the five properties because it was unable to secure tenants and receive rental income, making it difficult to pay the mortgages on time.

The prospective buyer for four of the properties had virtually no cash assets from which to make the down payments. Bartolome and Silver knew that if the buyer disclosed her true salary and assets, the loans would not be approved. Accordingly, with Bartolome acting as the buyer's mortgage broker, loan applications were submitted to the lenders which: overstated the buyer's salary; failed to disclose that the buyer was purchasing all four properties at about the same time; falsely stated that each of the homes would be occupied by the buyer; and failed to

disclose that Dream Day was making the down payments and providing cash to the partner and buyer after the loans closed. Additionally, the sales prices were set high enough so that Dream Day could pay off all associated debts related to the purchase of the four properties and make a profit of \$448,472. To conceal their profits, Bartolome and Silver created “payoff” statements suggesting that money was owed to a company owned by Silver, and caused the escrow companies to wire a total of \$422,920 to such company’s bank account. All of the money was then transferred to Dream Day and used to provide down payments on behalf of the buyer, or paid to the buyer and the partner after the loans settled.

Between November 2007 and September 2008, all four properties went into foreclosure, resulting in a loss to the lenders totaling \$1,162,500. The fifth property was sold in a separate arms-length transaction and is not in foreclosure.

Bartolome and Silver face a maximum sentence of 20 years in prison and a \$250,000 fine for wire fraud; and 10 years in prison and a \$250,000 fine for money laundering. U.S. District Judge William D. Quarles scheduled sentencing for both defendants on December 7, 2010 at 2:30 p.m.

The Maryland Mortgage Fraud Task Force was established to unify the agencies that regulate and investigate mortgage fraud and promote the early detection, identification, prevention and prosecution of mortgage fraud schemes. This case, as well as other cases brought by members of the Task Force, demonstrates the commitment of law enforcement agencies to protect consumers from fraud and promote the integrity of the credit markets. Information about mortgage fraud prosecutions is available www.justice.gov/usao/md/Mortgage-Fraud/index.html.

This law enforcement action is part of President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

United States Attorney Rod J. Rosenstein thanked the Internal Revenue Service - Criminal Investigation for their assistance in the investigation. Mr. Rosenstein commended Assistant U.S. Attorney Tonya Kelly Kowitz, who is prosecuting the case.