



*United States Attorney
Southern District of New York*

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**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL,
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**MEMBERS OF FORECLOSURE RESCUE SCHEME FOUND GUILTY
OF ENGAGING IN MULTIMILLION DOLLAR MORTGAGE FRAUD**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that ANDREA MOORE and MICHAEL IRVING were found guilty today of participating in a wide-ranging home foreclosure rescue scheme, which defrauded homeowners who were facing foreclosure and banks and other lenders who made mortgage and home equity loans. MOORE and IRVING were found guilty on charges of conspiracy, wire fraud, and bank fraud, following a 14-day jury trial in Manhattan federal court before United States District Judge ROBERT P. PATTERSON. According to the evidence at trial and other documents filed in the case:

The Foreclosure Rescue Scheme

From September 2004 through April 2005, MOORE and IRVING engaged in a fraud scheme targeting homeowners whose homes, primarily in Brooklyn and the Bronx, were in foreclosure or facing foreclosure. Homeowners were offered a plan to "save" their homes, including by refinancing the homeowners' debt with new, larger mortgages. Because the distressed homeowners typically had poor credit and were not eligible to refinance their debt at favorable terms, the defendants induced them to "sell" their homes to third parties, or "straw buyers," who would apply for loans to be used to "save" the home. The defendants promised that once the straw buyer obtained the mortgage, the proceeds would be used to pay off the homeowners' old debt and make one year's worth of payments on the new loans. The homeowners were told that, during that year, they could continue to live in their homes and work on improving their finances and credit. Finally, the defendants explained to the homeowners that, at the end of the year, the title to their homes would be returned to them by the straw buyers, with their credit repaired and their homes saved. There were also cases in which the defendants did not explain to homeowners that the plan to "save" their home required them to deed their house to a third party and

did not obtain permission to deed the homes to others. In such cases, the defendants effectively stole the property of the homeowners by forging the homeowners' signatures on various documents that transferred the homes to straw buyers without the homeowners' knowledge.

In furtherance of the scheme, the defendants submitted loan applications to various banks and lending institutions on the straw buyer's behalf. In submitting these applications, the defendants regularly used documents containing false or misleading information, including information concerning the straw buyer's income, assets, and existing debt, to improve the straw buyer's credit-worthiness. In addition to false statements concerning the straw buyers' financial profile, the defendants misrepresented to lenders that the straw buyers intended to reside in the property that would secure each mortgage or loan, when, in fact, the properties were already occupied by the distressed homeowners.

MOORE, who directed the daily operations of the scheme, and IRVING, who served as a recruiter and later as a partner to MOORE in the scheme, obtained numerous home mortgages and/or equity loans valued at well over \$10 million. In some instances, the defendants failed to make even one payment on the loans, causing the loans to default immediately; in nearly every other case, they eventually failed to make the payments and defaulted on the loans, thereby "cashing out" on the properties. As a result, the distressed homeowners lost the titles to their homes and faced eviction, the straw buyers owed the lenders hundreds of thousands of dollars that they were unable to repay, and the lenders suffered losses from the defaulted loans.

Profits of the fraudulent scheme consisted of the difference between the value of the new and old loans, and they also earned hundreds of thousands of dollars in fees.

MOORE was found guilty of one count of conspiracy to commit bank and wire fraud, four counts of wire fraud and one count of bank fraud. IRVING was found guilty of one count of conspiracy to commit bank and wire fraud and one count of wire fraud. The conspiracy and bank fraud counts carry a maximum prison term of thirty years and a maximum fine of the greatest of \$1,000,000 or twice the gross pecuniary gain or loss resulting from the crimes. The wire fraud counts carry a maximum prison term 20 years and a maximum fine of the greatest \$250,000 or twice the gross pecuniary gain or loss resulting from the crimes. In addition, MOORE and IRVING are required to pay restitution to the victims of their crimes.

MOORE and IRVING are scheduled to be sentenced on February 18, 2009, at 4:00 p.m., by Judge PATTERSON.

Mr. GARCIA praised the work of the Federal Bureau of Investigation. He also thanked the New York State Attorney General's Office for its work in the investigation.

Assistant United States Attorneys JULIAN J. MOORE and JOHN T. ZACH are in charge of the prosecution.

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