Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, AUGUST 9, 2011
WWW.JUSTICE.GOV

CRM
(202) 514-2007
TTY (866) 544-5309

FOUR FLORIDA MEN CHARGED IN BOSTON WITH DEFRAUDING HOMEOWNERS IN HOME LOAN MODIFICATION SCAM

WASHINGTON - Four Florida men were arrested today on charges that they defrauded homeowners in Massachusetts and elsewhere in connection with a home loan modification scam, announced Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division, U.S. Attorney Carmen M. Ortiz for the District of Massachusetts and Christy Romero, Acting Special Inspector General for the Troubled Asset Relief Program (SIGTARP).

A 20-count indictment was unsealed today in federal court in Boston, charging Christopher S. Godfrey, 42, of Delray Beach, Fla.; Dennis Fischer, 40, of Highland Beach, Fla.; Vernell Burris Jr, 51, of Boynton Beach, Fla.; and Brian M. Kelly, 34, of Boca Raton, Fla., with conspiracy, wire fraud, mail fraud and misuse of a government seal. The defendants were arrested today by SIGTARP agents and will make their initial appearances in U.S. District Court in West Palm Beach, Fla., tomorrow at 10 a.m. EDT.

According to the indictment, Godfrey was the president and Fischer was the vice president and treasurer of a Florida company called Home Owners Protection Economics Inc. (HOPE). Burris was the manager and primary trainer of HOPE telemarketers, while Kelly was one of the principal telemarketers as well as a trainer for other HOPE telemarketers.

The indictment alleges that from January 2009 through May 2011, the defendants made, and instructed their employees to make, a series of misrepresentations to induce financially distressed homeowners looking for a federally-funded home loan modification to pay HOPE a $400-$900 up-front fee in exchange for HOPE's home loan modifications, modification services and "software licenses." According to the indictment, these misrepresentations included claims that homeowners were virtually guaranteed, with HOPE's assistance, to receive a loan modification under the Home Affordable Modification Program (HAMP), which is part of TARP and is a federally-funded mortgage assistance program. Additional misrepresentations to homeowners included that HOPE was affiliated with the homeowner's mortgage lender, that the homeowner had been approved for a home loan modification, that homeowners could stop making mortgage payments while they waited for HOPE to arrange their loan modification and that HOPE would refund the customer's fee if the modification was not successful. HOPE also claimed that it operated as a non-profit organization.

In exchange for these up-front fees, HOPE allegedly sent its customers, including homeowners in Massachusetts, a do-it-yourself application package that was nearly identical to

the application the U.S. government provides free of charge. HOPE instructed customers to fill out the application and submit it to their mortgage lender. According to the indictment, the HOPE customers who did use the provided forms to apply on their own for loan modifications had no advantage in the application process, and, in fact, most of their applications were denied. Through these misrepresentations, HOPE was able to persuade thousands of homeowners collectively to pay more than $3 million in fees to HOPE.

Godfrey and Fischer were charged with one count of conspiracy, nine counts of wire fraud, nine counts of mail fraud and one count of misuse of a government seal. Burris and Kelly were charged with one count of conspiracy, nine counts of wire fraud and nine counts of mail fraud. Each count of conspiracy and misuse of a government seal carries a maximum penalty of five years in prison and a $250,000 fine. Each count of mail and wire fraud carries a maximum penalty of 20 years in prison and a $250,000 fine. All of the defendants face possible orders of restitution.

An indictment is merely an allegation and defendants are presumed innocent unless and until proven guilty in a court of law.

The case was investigated by SIGTARP and is being prosecuted by Assistant U.S. Attorney Adam Bookbinder in the Computer Crimes Unit at the U.S. Attorney's Office, and Mona Sedky of the Computer Crime and Intellectual Property Section in the Justice Department's Criminal Division.

# # #

11-1027