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SoCal woman pleads guilty to leading \$12M fraud scheme

Associated Press

LOS ANGELES - A woman pleaded guilty Friday to federal mail fraud and money laundering charges for leading a \$12 million foreclosure scam that victimized more than 100 Southern California homeowners.

As part of a plea deal Martha Rodriguez, 35, of Downey admitted she led the scheme from May 2003 until November 2005 out of her real estate and escrow agencies, the U.S. attorney's office said.

She faces up to 40 years in prison when she is sentenced August 20. Rodriguez also agreed to forfeit to the government her interest in five homes, a truck and about \$900,000 in cash.

According to a federal grand jury indictment, Rodriguez and four others visited homeowners defaulting on their mortgages and offered to stop their foreclosures with short-term loans and refinancing options. But instead of applying for refinancing, the defendants allegedly submitted loan applications to banks under the names of the homeowners.

The five allegedly pocketed the loan money from the banks, which were never repaid. The scammed homeowners, meanwhile, lost their property titles, prosecutors said.

Also indicted were Cynthia Valenzuela, 24, of Downey; Vladimir Stefanovic, 35, of Lancaster; Edward Seung Ok, 40, of Huntington Beach; and Maria G. Juarez, 36, of Diamond Bar.

Valenzuela pleaded guilty Feb. 16 to mail fraud charges. The other three defendants were scheduled to go to trial on July 10.

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