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DEPUTY

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9 *Attorneys for the People*

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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES
13 CENTRAL DIVISION

14 **THE PEOPLE OF THE STATE OF CALIFORNIA,**

15 Plaintiff,

16 v.

17
18 **ANNA MARIA SANTOS (DOB: 8/15/87), ANTONIA**
GONZALEZ (DOB: 3/13/43), ISAURA
19 **HERNANDEZ (DOB: 2/1/75), JUAN JOSE PEREZ**
(DOB: 9/22/61),

20 Defendants.
21

Case No. **LA061454**

**AFFIDAVIT IN SUPPORT OF
ARREST WARRANT**

22 **INTRODUCTION**

23 **A. Experience and Training**

24 **1. Affiant's Training and Experience**

25 Danny Kim is a peace officer employed as a Special Agent with the California
26 Department of Justice, Office of the Attorney General, Bureau of Investigations located in Los
27 Angeles. Special Agent Kim has been a peace officer for the past 14 years. Before joining the
28 California Department of Justice in July 1999, Special Agent Kim was a peace officer with the

1 California Department of Motor Vehicles.

2 Special Agent Kim's formal education and training includes a Bachelor of Science degree
3 in Criminal Justice from California State University of Los Angeles and completion of the
4 California Department of Justice Special Agency Academy. Special Agent Kim has also holds
5 the following Peace Officers Standards and Training (P.O.S.T) Certificates: Specialized
6 Investigator Basic Certificate, Intermediate Special Investigator Certificate, and an Advanced
7 Investigators Certificate.

8 During the course of Special Agent Kim's employment with the State of California, he has
9 received both formal and informal training from other experienced investigators, attorneys, and
10 peace officers specializing in various fraud investigations, including financial, "white collar"
11 crimes and health care fraud.

12 Special Agent Kim has participated in numerous search warrants, investigations and
13 witness interviews in which the crimes alleged are similar to those in this case.

14 **The undersigned hereby declares, upon information and belief:**

15 That a 12-count felony complaint has been filed charging ANTONIA GONZALEZ
16 (GONZALEZ), ISAURA HERNANDEZ (HERNANDEZ), JUAN JOSE PEREZ (PEREZ) and
17 ANNA MARIA SANTOS (SANTOS), with multiple felony counts of grand theft (Pen. Code, §
18 487a), conspiracy to commit grand theft (Pen. Code, § 182, subd. (a)(1)), and money laundering
19 (Pen. Code, § 186.10, subd.(a)(2))

20 That facts set forth herein were provided through an investigation conducted by Investigator
21 Sandy Birch and reports of the investigation prepared pursuant to her duties with the California
22 Department of Justice which facts I believe to be true.

23 **2. Investigator Sandy Birch**

24 Investigator Sandy Birch is employed as an investigator with the California Department of
25 Justice. She was employed as a Special Agent with the California Department of Justice for
26 twenty years before retiring in January 2004. While employed as a Special Agent she was
27 assigned to the Bureau of Medi-Cal Fraud and Elder Abuse, the Major Fraud Unit and the Bureau
28 of Narcotic Enforcement. She has attended the Peace Officer Standards and Training Certified

1 Academy and she possesses an Advanced Specialized Investigators Certificate. She has
2 completed numerous law enforcement academies that covered substantive law and investigative
3 techniques. She has also received training from other special agents, supervisors, and prosecuting
4 attorneys. She has conducted hundreds of investigations of grand theft, identity theft, securities
5 fraud, money laundering and other financial crimes. She is familiar with the ways in which
6 financial crimes are committed.

7 **B. Summary of the Case**

8 In January 2008, the California Department of Justice became aware of complaints about a
9 fraudulent loan modification program being offered to homeowners in foreclosure. The
10 investigation was opened after it was determined that the suspects, doing business as First Gov
11 and/or Foreclosure Prevention Services, were operating throughout California. On October 27,
12 2008, the California Department of Justice filed a 39-count felony complaint in San Bernardino
13 County Superior Court Case no. FSB804318 alleging multiple counts of grand theft, conspiracy
14 and money-laundering against eight defendants including GONZALEZ, HERNANDEZ, and
15 PEREZ. The investigation established that Defendants engaged in a sophisticated scheme to
16 defraud homeowners by collecting money from them to participate in a loan modification
17 program that did not exist. As part of the scheme, Defendants obtained fictitious business name
18 permits and bank accounts for the purpose of depositing and laundering the stolen funds. The
19 accounts were established in names such as "Resolution Department" or "Reinstatement
20 Department" to give the appearance that money deposited into these accounts was paid to the loan
21 modification department of the victims' mortgage companies. At the direction of PEREZ, money
22 from these accounts was withdrawn as cash or wire transfers for deposit into bank accounts held
23 by GONZALEZ, HERNANDEZ, or PEREZ, who are all believed to be operating out of Mexico.

24 Subsequent investigation by the California Department of Justice has determined that
25 SANTOS is currently working with GONZALEZ, HERNANDEZ, and PEREZ, in a similar loan
26 modification scheme. The mail flyer and envelope received by the victims of this scheme are
27 almost identical to those sent to victims in the previous scheme. The flyer appears to be from
28 either the victim's lender or a government entity. The flyer has a large bold font header that reads

1 "Final Notice," advises homeowners that they qualify for a special program to save their home
2 from foreclosure, and provides a telephone number to call for assistance. When a homeowner
3 responds to the flyer, Defendants or their agents falsely represent that they will renegotiate the
4 homeowner's mortgage and reduce monthly mortgage payments.

5 After a homeowner provides his personal financial and mortgage information to Defendants
6 or their agents, the homeowner is advised that his lender will be notified about the loan
7 modification program. A few days later, the homeowner receives a call from Defendants or their
8 agents confirming that his lender has been notified about the loan modification and advising him
9 that as a condition of the loan modification the homeowner has been placed on a "probationary"
10 program during which time his monthly payments must be submitted by cashier's check or
11 money order made payable to "Payment Processing Department" and sent to a given post office
12 box address. In addition to receiving telephonic confirmation, several victims also received
13 purported loan modification documents that appeared to be from their respective lender. It was
14 later determined that the lenders were not notified about the loan modification and that the
15 purported loan documents were forgeries.

16 SANTOS admitted that she obtained a fictitious business permit for Payment Processing
17 Department, opened several bank accounts and two post office boxes under that name for the
18 purpose of receiving cashier's checks and money orders made payable to Payment Processing
19 Department, and transferred the funds by cash or wire transfer to GONZALEZ, HERNANDEZ,
20 and PEREZ.

21 C. Applicable Criminal Statutes

22 1. Penal Code section 182, subdivision (a)(1): Conspiracy - Two or more persons
23 who conspire to commit any crime are guilty of conspiracy, a felony.

24 2. Penal Code section 487a: Grand Theft - Any person who fraudulently
25 appropriates property which has been entrusted to him or her, or who knowingly and designedly
26 by any false or fraudulent representation or pretense, defrauds another person of money, labor or
27 property of a value exceeding four hundred dollars (\$400) is guilty of grand theft, a felony.
28

1 **3. Penal Code section 186.10: Money Laundering** - Any person who conducts or
2 attempts to conduct a transaction or more than one transaction involving a monetary instrument
3 with the specific intent to promote, manage, establish, carry on, or facilitate the promotion,
4 management, establishment of any criminal activity, or knowing that the monetary instrument
5 represents the proceeds of, or is derived directly or indirectly from the proceeds of, criminal
6 activity, is guilty of money laundering, a felony.

7 **PROBABLE CAUSE FOR OFFENSE**

8 Based on my training and experience, Investigator Birch's reports, and the facts set forth in
9 this affidavit, I conclude that there is probable cause to believe that from October 2007 and
10 continuing through November 2008, HERNANDEZ, GONZALEZ, PEREZ, SANTOS, and
11 others unknown engaged in a sophisticated scheme to defraud homeowners by falsely
12 representing to homeowners that they qualified for a mortgage loan modification, that their lender
13 had agreed to the loan modification, and that they were required to make their monthly payments
14 to Payment Processing Center in lieu of making payments to their lender.

15 **A. VICTIM INTERVIEWS**

16 **1. ELISA CARDENAS / MARIA MUNOZ**

17 Birch identified Maria Munoz through telephone records she obtained from Vonage
18 pursuant to a search warrant. The phone records showed two calls made to the residence of Elisa
19 Cardenas. Birch contacted Cardenas to confirm she had received the calls and to request an
20 interview.

21 On September 24, 2008, and December 2, 2008, Birch interviewed Elisa Cardenas.
22 Cardenas said she is the daughter-in-law of Maria Munoz. Munoz does not speak English and
23 often relies on Cardenas to help her with financial dealings. Cardenas said she had helped Munoz
24 with telephone calls received from a loan modification company. Cardenas explained that in
25 approximately February 2008, Munoz received a notice of default on her residence at 400 Knott
26 Street, Bakersfield, California. Shortly afterwards, Munoz received a flyer about a company
27 promising to help save her home and lower her monthly payments. Munoz called the number
28 listed on the flyer and spoke with someone who said they could renegotiate her home loan.

1 Cardenas said that after Munoz provided her financial information, the person she was speaking
2 to on the phone told Munoz that she qualified for a loan modification and directed to send her
3 next mortgage payment to P.O. Box 2384, North Hills, California.

4 Munoz sent in her first payment in March 2008 and made it payable to her lender, Chase
5 Home Loans. Munoz said she understood that, although the loan modification company was not
6 her lender, they were working with Chase to consolidate her two loans and reduce her monthly
7 payment. Later, Munoz received a call from someone who told her to re-issue her mortgage
8 payment and make it payable Payment Processing Department. The caller also told Munoz that
9 she was on "probation" for the next three months during which time she had to demonstrate her
10 ability to meet her loan obligation by making timely payments to the Payment Processing Center.
11 Munoz asked for a copy of her new loan documents but was told they could not be completed
12 until she made all three mortgage payments.

13 Cardenas told Birch the first payment to Payment Processing Department was sent on
14 March 21, 2008; the second payment was sent on April 14, 2008; and a third was sent on May 15,
15 2008. After Munoz made her third payment, she called the Payment Processing Department to
16 ask for a copy of her new loan documents. At that time, she was told that the company had not
17 been able to save her home from foreclosure and was given the telephone number for a
18 bankruptcy attorney. Munoz's home was later sold at a foreclosure auction.

19 Birch obtained copies of the negotiated money orders from Western Union. The total
20 amount and date of each transaction is as follows: \$2,235.16 was paid on March 21, 2008;
21 \$1,899.88 was paid on April 18; and \$1,899.88 was paid on May 19, 2008. The negotiated
22 money orders were all endorsed by "Anna Santos."

23 2. MARICELA CASTELLANOS

24 On October 30, 2008, Birch interviewed Maricela Castellanos. Castellanos was identified
25 by the return address on an envelope recovered during a consensual search of a post office box
26 held by SANTOS. In July 2008, Castellanos and her husband Juan received a notice of default on
27 the residence at 18010 Manzanita Street, Hesperia, California. In August 2008, Castellanos
28 received a flyer stating that she may qualify for a program to save her home from foreclosure.

1 Castellanos called the number on the flyer and spoke with a woman named "Lily Reyes." After
2 Castellanos answered several questions about her financial situation, Reyes told her that she and
3 her husband qualified for a program to modify their home loan. Reyes told Castellanos that she
4 would receive a call from her lender who would explain the program and arrange for
5 documentation.

6 Soon afterwards, Castellanos received a call from a man named "Renee" who said he was
7 with her lender, Aurora Home Loans. He explained that Castellanos and her husband had been
8 approved for a loan modification program in which the current delinquency and legal fees for the
9 notice of default would be added to the back end of the new loan. The loan would be extended
10 from 30 to 40 years reducing their monthly loan payments from \$1,696.73 to \$1,408.23. Renee
11 further explained that the mortgage account would be handled differently for the first three
12 months to ensure Castellanos was capable of meeting her new payment obligation. He told
13 Castellanos that during this time she had to submit her payments by money order or cashier's
14 checks made payable to Payment Processing Department. Her first payment amount was
15 \$2,260.00.

16 On August 26, 2008, Castellanos purchased a cashier's check made payable to Payment
17 Processing Department in the amount of \$2,260 and sent it by certified mail/return receipt to
18 "Payment Processing Dept.," P.O. Box 2384, North Hills, California. Castellanos provided Birch
19 with the return receipt, which showed it was signed by ANNA SANTOS on September 3, 2008.
20 On approximately August 26, 2008, Castellanos received an "Extension and Modification
21 Agreement" that appeared to be from her lender under the name "Aurora Loan Services" and
22 contained the telephone number she had used to contact "Renee."

23 Castellanos was supposed to make another payment on September 25, 2008, but did not
24 have the money. When her payment was not timely made, she received a call purportedly from
25 her lender who agreed to extend her payment date to October 10, 2008. The person she spoke
26 with warned Castellanos that she was in a special program that required timely payments. On
27 October 10, 2008, Castellanos purchased a cashier's check made payable to "Payment Processing
28 Dept." in the amount of \$1,408.23 and sent it by overnight mail to the North Hills post office box

1 address. On October 27, 2008, she purchased another cashier's check for the same amount and
2 sent it to the same post office box address.

3 On October 30, 2008, Castellanos became concerned that "Renee" was not returning her
4 calls about the loan modification and called a telephone number listed on her original loan
5 documents with Aurora Home Loans. The person she spoke to said: (1) no one named Renee
6 worked at Aurora Home Loans; (2) there was no record of a loan modification for her account;
7 (3) none of the payments she made to Payment Processing Dept. had been received or credited to
8 her account; and (4) her home was scheduled for sale at a foreclosure auction on December 4,
9 2008.

10 Castellanos provided Birch with copies of two negotiated cashier's checks- one in the
11 amount of \$2,260.00 dated August 26, 2008 and the other in the amount of \$1,408.23 dated
12 October 27, 2008. Both were endorsed by SANTOS and deposited into an account at Wachovia
13 Bank. The cashier's check sent on October 28, 2008 was recovered from SANTOS'S post office
14 box and returned to Castellanos.

15 Castellanos provided Birch with the loan modification documents purportedly sent to her by
16 Aurora Loan Services. On December 12, 2008, Birch spoke with Rita Zarycki Young, Assistant
17 Vice President, Special Investigations, Aurora Loan Servicing. Young said the loan modification
18 documents were not prepared by Aurora Loan Servicing and a review of the loan account for
19 Castellanos indicated there were no notations about the loan modification being discussed or
20 approved.

21 3. HUMBERTO DIAZ

22 Birch obtained a mail cover order (this is an order to the U.S. Post Office to photocopy the
23 envelope of delivered mail) from the U.S. Postal Inspection Service for mail delivered to P.O.
24 Box 2384 North Hills, California 91393. On November 17, 2008, Birch was notified that an
25 express mail envelope had been delivered to the box. The return address on the envelope was
26 Humberto Diaz, 16585 Victoria Ave., Oakdale, California. On November 17, 2008, Birch called
27 Diaz at his residence to ask about the envelope she recovered. Diaz said that sometime after he
28 received a notice of default on his residence, he received a very official-looking envelope that

1 contained a flyer stating that he may qualify for a loan modification. Diaz said he called the
2 telephone number listed on the flyer and spoke with a woman who asked for his personal
3 financial and mortgage information. Later, Diaz received a call advising him that he qualified for
4 a loan modification and his lender Countrywide Home Loans would be notified.

5 Subsequently, Diaz received a call from a man who said he worked for Countrywide Home
6 Loans. Diaz explained to the caller that he was unsure if he should try to save his home because
7 its market value fallen so far below the amount owed on the mortgage. The caller responded by
8 assuring Diaz that his loan amount would be reduced from \$559,000 to \$325,000. He further
9 explained that after making an initial payment, Diaz's monthly payment would be based on a
10 reduced loan amount.

11 Shortly afterwards, Diaz received a contract for the new loan that he believed was from
12 Countrywide Home Loans. The contract listed a loan amount of \$325,000 and a lower monthly
13 payment amount than he had been paying under his previous loan. The documents Diaz received
14 directed him to send his mortgage payments by money orders payable to Payment Processing
15 Department to a post office box in North Hills. Diaz said he believed the payments were going to
16 Countrywide Home Loans. Diaz said he made a total of three payments to Payment Processing
17 Department.

18 On December 1, 2008, Birch received copies of the documents that Diaz believed were sent
19 to him by Countrywide Home Loans. Diaz also provided copies of three cashier's checks he sent
20 to the Payment Processing Department. The amounts and dates of the checks are: September 25,
21 2008, in the amount of \$2,019.56; October 15, 2008, in the amount of \$1,649.59; and November
22 10, 2008, in the amount of \$1,649.52. The November 10, 2008 cashier's check was recovered
23 from the North Hills post office box and returned to Diaz.

24 On December 16, 2008, Birch spoke with Warren Bauer, Investigations Manager for
25 Countrywide Home Loans. Bauer confirmed that the payments Diaz sent to Payment Processing
26 Department were not credited to Diaz's mortgage loan account, the documents provided by Diaz
27 were not sent by Countrywide Home Loans, and that the loan file for Diaz contained no
28 information regarding a loan modification.

1 **4. JOSE SERRANO**

2 On December 11, 2008, Birch interviewed Jose Serrano. Serrano told her that shortly after
3 a notice of default was recorded on his residence at 1247 Carmelo Street, Soledad, California, he
4 received a flyer that stated he may qualify for a government program to save his home from
5 foreclosure and modify his mortgage loan. Serrano said he called the number listed on the flyer
6 and was told that he was approved for a loan modification. Subsequently, Serrano received a call
7 from "Benaé" allegedly with Aurora Home Loans, who explained the loan modification and
8 instructed Serrano to make his mortgage payments payable to Payment Processing Department
9 and send them to P.O. Box 2384, North Hills, California. Serrano also received loan modification
10 documents that he believed were sent to him by Aurora.

11 Serrano told Birch he sent three payments to the Payment Processing Department as
12 follows: \$3,759.42 on September 9, 2008; \$1,618.22 on October 8, 2008; and \$1,618.22 on
13 November 7, 2008. Serrano told Birch he used his daughter's bank to purchase the checks so the
14 bank put the name of his daughter, Natalie S. Serrano, on the face of the cashier's checks.
15 Negotiated copies of Serrano's cashier's checks showed that they were all endorsed by SANTOS.

16 **5. JOSE RAMOS MEDINA**

17 On December 9, 2008, Birch obtained a copy of a police report filed by Jose Ramos Medina
18 with the Stanislaus County Sheriff's Department. Medina reported that he had been defrauded
19 and paid money to a company posing as his mortgage lender Chase Home Loans. Attached to the
20 police report were copies of three money orders and cashier's checks Medina claimed he sent to
21 Payment Processing Department as part of a loan modification with his lender.

22 On December 9, 2008, Birch interviewed Medina. Medina said he received a flyer in the
23 mail soon after a notice of default was recorded against his residence. He telephoned the number
24 listed on the flyer and spoke with a woman named Lily who said she would evaluate his financial
25 situation to determine if he qualified for a program to modify his mortgage loan. Medina faxed
26 the requested financial information to Lily and was informed that he qualified for a loan
27 modification.

28 //

1 Approximately two weeks later, Medina received a call from a man who said he was with
2 Chase Home Loans and was advised that Medina qualified for a loan modification. The caller
3 explained that Medina qualified for a government program that would lower his interest rate and
4 reduce his monthly mortgage payments to \$1,659.37. The caller explained that Medina would be
5 on probation with his lender and had to make his first three mortgage payments on time to
6 Payment Processing Department after which time he would return to the normal payment system
7 with Chase. The caller added that to participate in the program, Medina had to make an initial
8 payment of \$3,699.39, which included a processing fee for the program, by cashier's check made
9 payable to Payment Processing Department and send it to P.O. Box 2384, North Hills, California.
10 On September 18, 2008, Medina sent a cashier's check as instructed.

11 After confirming that his initial payment had been sent, Medina received loan modification
12 documents that appeared to be from Chase Home Loans. In accordance with the instructions,
13 Medina sent his next two payments in the amount of \$1,659.37 by money orders made payable to
14 Payment Processing two more payments to the North Hills post office box on October 5, 2008
15 and November 8, 2008.

16 Medina said he continued to receive delinquency notices from Chase and decided to call
17 and remind them that his loan had been modified. When Medina contacted Chase, he was told
18 that they had not received his recent payments and that his mortgage loan had not been modified.
19 A negotiated copy of the \$3,699.39 cashier's check for \$3,699.39 showed that it was endorsed by
20 SANTOS.

21 6. ALVARO MORENO AYALA

22 On December 18, 2008, Birch was contacted by Inspector Pat Johnson with the Alameda
23 County District Attorney's Office. Johnson had received a complaint from Alvaro Ayala, who
24 alleged that he had paid three mortgage payments to a company other than his own lender under
25 false pretenses. Johnson forwarded the complaint and documents provided by Ayala to Birch.

26 The report states that in November 2008, Ayala received a flyer regarding his delinquent
27 mortgage and called the number listed on the flyer. Ayala said he spoke with someone who he
28 believed to be a representative of his mortgage lender, Nation Star. The representative told Ayala

1 that he had been approved for a loan modification program that required him to make three
2 payments to the Payment Processing Department. Ayala received loan modification documents
3 that appeared to be from his lender and made the following payments by cashier's checks made
4 payable to Payment Processing Department as instructed: \$3000.00 on July 28, 2008; \$2,062.92
5 on August 22, 2008; and \$2,062.92 on September 23, 2008. Ayala later learned that North Star
6 had not received his payments, had not prepared or approved the loan modification documents he
7 received, and that his mortgage loan had not been modified.

8 Negotiated copies of the cashier's checks paid in August and September 2008 showed they
9 were endorsed by SANTOS.

10 7. MARIA CAUDILLO and ALEJANDRO ALAMILLO-LUGO

11 Birch identified victims Maria Caudillo and Alejandro Alamillo-Lugo through deposit
12 items produced by Wachovia Bank for an account held by SANTOS dba Payment Processing
13 Department but has not yet located them for an interview. Caudillo was identified by a cashier's
14 check she purchased on October 24, 2008, in the amount of \$2,939.45 made payable to Payment
15 Processing Department. The face of the check had a hand-written entry which stated "Loan
16 Number 1100224135." The check was endorsed by SANTOS. Alamillo-Lugo was identified by
17 three money orders he purchased on October 30, 2008, totaling \$2,789.52. The money orders
18 were made payable to Processing Department and had a loan number and property address
19 written on them. The address corresponds to a property owned by Alamillo-Lugo. All three
20 money orders were endorsed by SANTOS.

21 B. SUSPECT INTERVIEW

22 Investigator Birch interviewed SANTOS at her residence on October 29, 2008. She
23 contacted SANTOS because her signature appeared on the back of negotiated money orders made
24 payable to "Payment Processing Department" received from victim Maria Munoz. Also, a search
25 of Los Angeles County Recorder records revealed SANTOS held a fictitious business permit for
26 that business name. SANTOS identified her signature on the back of Munoz's money orders.
27 Birch told SANTOS that Munoz thought the money orders were being paid toward a mortgage
28

1 loan modification to stop foreclosure on her home. SANTOS said she did not know anything
2 about a mortgage loan modification.

3 SANTOS explained that she is the "U.S. financial representative" for a company selling
4 timeshare homes in Mexico. She said a woman named "Laura" is her contact with the company.
5 Laura told SANTOS to get a fictitious business permit and open a post office box and bank
6 account under the name "Payment Processing Department." (Laura remains unidentified by law
7 enforcement but is believed to be Isaura Hernandez.) SANTOS said she receives telephone calls
8 from Laura directing her to pick up checks and money orders mailed to her post office box,
9 deposit them into her bank account, then transfer the funds by deposit or wire transfer to bank
10 accounts held by GONZALEZ, HERNANDEZ, and PEREZ. SANTOS provided deposit and
11 wire transfer receipts for some of these transactions. SANTOS said she received \$100 for each
12 deposit she made.

13 SANTOS said she opened accounts at Washington Mutual and Wells Fargo but both were
14 closed by the bank due to customer complaints. When she told Laura what happened, Laura
15 responded that "people got cold feet" about purchasing a timeshare and complain to the bank.
16 SANTOS said she is currently using an account at Wachovia Bank to deposit money for Laura.

17 SANTOS said she received a call from Laura the previous day and was directed to pick-up
18 a money order sent to her post office box. The money order was made payable to Payment
19 Processing Department in the amount of \$2,939.45, and she had deposited it into her Wachovia
20 account. During the interview, SANTOS received a call from Laura and put her phone on
21 speaker mode. Birch heard Laura give SANTOS directions to deposit \$500 of the previous days
22 deposit to an account held by GONZALEZ at Wells Fargo Bank and wire \$2,000 to an account
23 held by HERNANDEZ in Mexico.

24 After the interview, SANTOS took Birch to the post office box she was using to receive
25 checks and money orders for Payment Processing Department and handed Birch the only
26 envelope that was inside the box. SANTOS also gave Birch two keys to the box. Birch then
27 contacted Wachovia Bank corporate security and explained that the bank account held by
28 SANTOS for Payment Processing Department was being used in a fraud scheme. SANTOS

1 spoke with the security department and authorized the bank to freeze all funds held in the
2 account. Birch confirmed that the balance in the account at the time was \$2,754.29. SANTOS
3 then telephoned Laura, again using the speaker mode on her phone, and told her that she could
4 not transfer funds as directed because her bank account had been frozen by law enforcement.
5 Laura responded only that a buyer must have gotten "cold feet" about purchasing a timeshare
6 home and did not provide any additional instructions.

7 At the conclusion of SANTOS' interview, she provided Birch with numerous bank records
8 related to her business with Laura. BIRCH advised SANTOS that several people had recently
9 been arrested for their involvement in a similar loan modification scam, including people who had
10 obtained fictitious business names and bank accounts to facilitate the fraud.

11 On November 13, 2008, Birch contacted Ed Gilbert, manager of the North Hills branch of
12 the U.S. Post Office where SANTOS had her post office box because she had received a call from
13 SANTOS advising her that the rental fee was due. Gilbert said that SANTOS came to the post
14 office on November 10, 2008, and signed for two express mail packages delivered to her post
15 office box. The packages were addressed to Payment Processing Department and SANTOS
16 provided her driver's license for identification to retrieve them.

17 Birch called SANTOS to ask about the packages as she understood SANTOS had agreed
18 not to take any mail from her box. SANTOS initially denied picking up the packages, but
19 admitted to taking them when confronted with Gilbert's statement. SANTOS claimed she mailed
20 the checks contained in the packages to HERNANDEZ in Mexico. SANTOS denied depositing
21 any checks into her account after her interview with Birch.

22 Birch later learned that on November 10, 2008, SANTOS deposited eight checks totaling
23 \$6,067.11 made payable to Payment Processing Department into her Wachovia bank account. On
24 November 12, 2008, SANTOS withdrew \$5,963 in cash.

25 C. WITNESS INTERVIEWS

26 1. SARAH MITCHELL

27 On November 13, 2008, Birch interviewed Sarah Mitchell with corporate security at
28 Wachovia Bank. Birch contacted Wachovia to confirm that the account hold authorized by

1 SANTOS was still in effect and to confirm the account balance. Mitchell said the account no
2 longer had a hold on it and that the last bank employee to do "maintenance" on the account was
3 Naomi Hoover in the Northridge office. Mitchell said bank records showed the following
4 transactions:

5 October 30, 2008 - \$2,654.00 cash withdrawal;

6 November 10, 2008 - \$6,067.11 ATM deposit;

7 November 12, 2008 - \$5,936.00 cash withdrawal.

8 Mitchell added that the signatures on the two withdrawal slips were consistent with the
9 signature on file for SANTOS.

10 2. NAOMI HOOVER

11 On November 13, 2008, Birch interviewed Naomi Hoover, a Service Transaction Specialist
12 at the Wachovia Bank Northridge branch. Hoover recognized SANTOS as a frequent bank
13 customer. She said that SANTOS came into the bank on October 30, 2008, and requested to lift
14 the hold on her account. Bank teller Martin Villamor helped SANTOS and came to Hoover for
15 assistance. Hoover spoke with SANTOS, who said she had requested a hold on her account
16 because she thought someone had accessed it without her permission. Hoover offered to open a
17 new account for her, but SANTOS declined and said she just wanted to lift the hold and make a
18 withdrawal. Hoover removed the hold. SANTOS then signed for a cash withdrawal of \$2,654.

19 3. DONNA OROZCO

20 On November 13, 2008, Birch interviewed Donna Orozco, a Service Transaction Specialist
21 at the Wachovia Bank Northridge branch. Orozco also recognized SANTOS as a frequent
22 customer at the bank. On November 12, 2008, Orozco assisted SANTOS with a cash withdrawal
23 from her account. SANTOS signed the counter check and Orozco verified that the signature was
24 consistent with the signature on file for that account. Orozco then gave SANTOS \$5,936 in cash.

25 D. DOCUMENT REVIEW

26 1. Loan Modification Mailers

27 Investigator Birch reviewed copies of mailed flyers provided to her by some of the above-
28 named victims. The flyers were almost identical with the exception of the victim's name and

1 address. The flyers are sent in an official-looking envelope that contains a "Trustee Sale" number
2 and bear the warning "YOU MAY LOSE YOUR LEGAL RIGHTS IF YOU DO NOT TAKE
3 PROMPT ACTION NOW." The flyers all bear the title "FINAL NOTICE" and appear to be
4 from a lender or government entity involved with foreclosures. Some also contain the following
5 warning: PLEASE DO NOT RESPOND TO OTHER "FINAL NOTICE" (FRAUD ALERT
6 DEPARTMENT)." The phone number provided on the flyers is (877) 322-6773.

7 **2. Fictitious Business Name Records**

8 Los Angeles County recorder records indicate that the following fictitious business name
9 permits were obtained by SANTOS:

10 a. Payment Prossing (sic) Department 8542 Columbus Ave #34, North Hills, California,
11 permit number 20072450516, issued on October 30, 2007;

12 b. Payment Processing Dept. 15543 Rayen Street #26, North Hills, California, permit
13 number 20081373610, issued on July 31, 2008.

14 **3. Post Office Box Applications**

15 Records obtained from U.S. Postal Service revealed the following post office box
16 applications for SANTOS:

17 a. P.O. Box 2384, North Hills, California 91393 for Payment Prossing (sic) Department
18 and ANNA SANTOS dated October 30, 2007.

19 b. P.O. Box 950422, Mission Hills, California 91345 for Payment Processing
20 Department and ANNA SANTOS dated February 28, 2008.

21 **4. Bank Records**

22 Bank records from Wachovia Bank for account no. 200042138954 in the name of Payment
23 Processing Department produced pursuant to a subpoena duces tecum in San Bernardino County
24 Superior Court case no. FSB804318 revealed the account was opened by ANNA SANTOS and is
25 currently an active account. Account records showed the following transactions:

26 a. October 28, 2008 - ATM deposit of a cashier's check in the amount of \$2,939.45
27 made payable to Payment Processing Dept. with the notation "REFF: Maria Cuadillo Loan
28 Number 1100224135."

1 b. October 30, 2008 - \$2,654 cash withdrawal.

2 c. November 10, 2008 - ATM deposit in the amount of \$6,067.11 consisting of eight
3 cashier's checks or money orders from the following individuals:

4 Alejandro Alamilla-Lugo - Three money orders made payable to Processing Department
5 totaling \$2,789.52.

6 Natalie Serrano - Cashier's check made payable to Payment Processing Department in the
7 amount of \$1,618.22.

8 Jorge Ramos Medina – Four money orders made payable to Payment Processing
9 Department totaling \$1,659.37.

10 d. November 12, 2008 – Cash withdrawal in the amount of \$5,936.00.

11 Documents provided by SANTOS showed she used following accounts for transactions
12 related to Payment Processing Center:

13 a. Dimas Santos dba Payment Processing Department: Wells Fargo Bank, account
14 number 1358540282. SANTOS provided a check book for this account and said the account was
15 used to deposit the money orders received at her post office box. SANTOS said the account was
16 opened in her husband's name because she had problems getting an account due to complaints.
17 Birch verified with Wells Fargo security that SANTOS was also a signatory on the account.

18 b. Anna Santos dba Payment Processing Department: Wells Fargo Bank account
19 numbers 2194815052 and 6834787654. SANTOS said these accounts were used to deposit and
20 withdraw funds for the Payment Processing Department. SANTOS said these accounts were
21 closed by the bank due to customer complaints.

22 c. Anna Santos dba Payment Processing Department Washington Mutual Bank
23 account# 4214544614. SANTOS said she used this account to deposit money received at the post
24 office box. She said the bank closed the account due to customer complaints.

25 d. Antonia Gonzalez (personal) Wells Fargo Bank account number 8045808758. On
26 October 29, 2008 SANTOS was instructed by "Laura" to put \$500 cash into this account.

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1 e. Isaura Esperanza Hernandez Gonzalez Bancomer account number 0123200015463
2 81316. SANTOS provided two wire transfers receipts showing a transfer of funds held in her
3 accounts to HERNANDEZ.

4 f. SANTOS also provided three Western Union receipts indicating she sent funds to
5 PEREZ and HERNANDEZ in Mexico.

6 **5. Telephone records**

7 Birch requested a search warrant for the subscriber, billing and call history for the toll-free
8 numbers which are on the flyer received by victims. The warrant was served on Vonage and the
9 billing profiles that were provided reflect that the phone services were paid for by SANTOS. The
10 phone services were paid for with credit cards in the name of SANTOS on January 2, 2008, April
11 16, 2008 and June 26, 2008.

12 **6. Property records**

13 Birch reviewed the property records obtained from the county recorder's office of the
14 respective counties in which the victims lived and determined that a Notice of Default had been
15 recorded against their property as indicated: Alamilla-Lugo (9/4/08); Diaz (9/4/08); Serrano
16 (8/18/08); Castellanos (7/24/08); Munoz (2/23/08); and Ayala (6/17/08). Birch was unable to
17 locate a Notice of Default filing for Medina but a Notice of Trustee's Sale was recorded on
18 December 12, 2008.

19 **CONCLUSION AND REQUEST**

20 Based on the contents of the affidavit, the Affiant's aforementioned training and experience,
21 and the training and experience of Investigator Birch, I conclude that between October 2007 and
22 November 2008, GONZALEZ, HERNANDEZ, PEREZ, SANTOS, and others unknown, stole
23 money in excess of \$400 in violation of Penal Code section 487a (Grand Theft) and laundered the
24 stolen funds by withdrawing them as cash proceeds from her bank account in violation of Penal
25 Code section 186.10, subdivision (a)(2). Further, I conclude that GONZALEZ, HERNANDEZ,
26 PEREZ, SANTOS engaged in a conspiracy to commit grand theft in violation of Penal Code
27 section 182, subdivision (a).
28

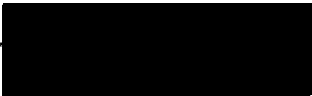
1 I therefore request that a warrant be issued for the arrest of ANTONIA GONZALEZ,
2 ISAURA HERNANDEZ, JUAN JOSE PEREZ, and ANNA MARIA SANTOS who may be dealt
3 with according to law.

4 **REQUEST FOR ORDER PROHIBITING DEFENDANTS'**
5 **RELEASE UNTIL THE SOURCE OF BAIL HAS BEEN**
6 **EXAMINED (PENAL CODE SECTION 1275)**

7 Based on the contents of the affidavit, your Affiant's aforementioned training and
8 experience, and the training and experience of Investigator Birch, I conclude that SANTOS does
9 not have a legitimate source of income sufficient to cover her bail. I also conclude that SANTOS
10 still has contact with GONZALEZ, HERNANDEZ and PEREZ and that there is evidence that
11 victim monies which have been sent to Mexico may be returned for the purpose of assisting
12 SANTOS with bail. GONZALEZ, HERNANDEZ and PEREZ have been engaged in fraudulent
13 activity and the movement of stolen funds to Mexico.

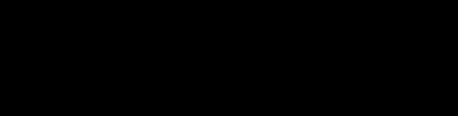
14 I believe that any source of consideration, pledge, security, deposit or indemnification
15 SANTOS, PEREZ, GONZALEZ or HERNANDEZ would offer as bail is related to felonious
16 conduct as outlined in this declaration in support of an arrest warrant. I therefore request an order
17 prohibiting the release of SANTOS, PEREZ, GONZALEZ and HERNANDEZ until the source of
18 bail has been examined.

19 Dated: March 10, 2009.

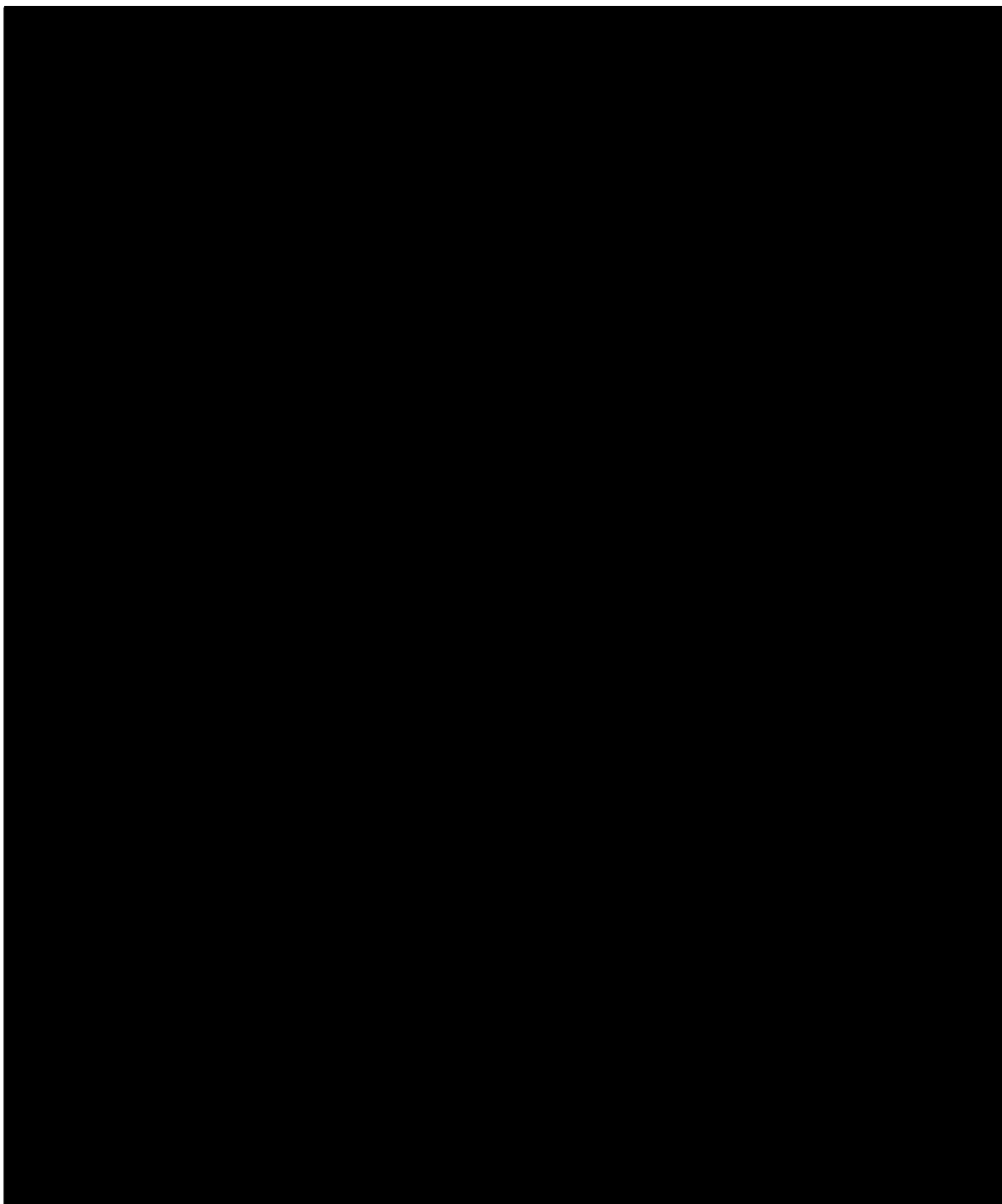

DANNY KIM
Special Agent
California Department of Justice

22 The foregoing Declaration in Support of an Arrest Warrant was reviewed by the undersigned
23 Deputy Attorney General, Office of the Attorney General, Consumer Law Unit, San Diego,
24 California.

25 Dated: March 5, 2009.


ANGELA K. ROSENAU
Deputy Attorney General
Consumer Law Section

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BAIL RECOMMENDATIONS

ANTONIA GONZALEZ - \$1,000,000
ISUARA HERNANDEZ - \$1,000,000
JUAN JOSE PEREZ - \$1,000,000
ANNA MARIA SANTOS - \$120,000

1 IT IS ORDERED that arrest warrants shall issue for the above referenced persons, who are to be
2 admitted to bail in the sum of:

3 ANTONIA GONZALEZ

\$ 1,000,000

4 ISUARA HERNANDEZ

\$ 1,000,000

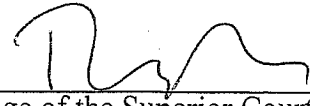
5 JUAN JOSE PEREZ

\$ 1,000,000

6 ANNA MARIA SANTOS

\$ 500,000

7 Dated this 10th day of March 2009 at Los Angeles, California.
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10 Judge of the Superior Court
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