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## Man Pleads Guilty In Loan Modification Scam

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**SAN DIEGO** -- A man who used false and misleading statements to induce customers to purchase loan modification services from his San Marcos-based business pleaded guilty Tuesday to conspiracy, money laundering and tax charges.

Glenn Steven Rosofsky admitted that in April 2009, he and Michael Trap -- who previously pleaded guilty -- began operating a loan modification business using the names "Nations Housing Modification Center" and "Federal Housing Modification Department" in an effort to fraudulently sell loan modification services to homeowners delinquent on their monthly mortgage payments.

Misrepresentations made to customers, prosecutors said, included claims that NHMC had attorneys and forensic accountants on staff to deal with the loss-mitigation departments of banks on their behalf; that NHMC had achieved an "extremely high success rate for homeowners that met the Nations Home Affordable Modification Program guidelines"; and that NHMC was located on "Capitol Hill" in Washington, D.C.

In fact, as Rosofsky admitted, NHMC did not have attorneys or forensic accountants on staff; did not have a high success rate of modifying loans; had no connection to the U.S. Treasury Department's "Making Home Affordable" program, and its only presence in Washington, D.C., was a rented post office box.

"Those who find ways to fraudulently benefit from government programs meant to help struggling taxpayers keep their homes will be brought to justice," said Leslie P. DeMarco, special agent in charge of the Los Angeles field office of the Internal Revenue Service's Criminal Investigation unit.

The false claims were made in solicitation letters that were mailed throughout the country to individuals behind on their mortgage payments and which encouraged struggling homeowners to call a toll-free number to purchase NHMC's loan modification services, prosecutors said.

In addition, the staff at NHMC used a script provided by Rosofsky and others to make similar false and misleading statements to potential customers, prosecutors said.

Relying on such misrepresentations, more than 300 homeowners paid between \$2,500 and \$3,000 to NHMC between April and July 2009, resulting in more than \$900,000 in customer funds to be transferred to NHMC's bank accounts in the Southern District of California, according to prosecutors.

Rosofsky admitted that he and Trap conducted financial transactions with the customer funds transferred to NHMC's bank accounts in order to pay business expenses and to compensate themselves, prosecutors said.

The defendant also admitted that while living in San Diego in 2006, he worked at a separate mortgage brokerage business and received at least \$350,358 in checks, cash withdrawals and transfers from the business.

When filing his 2006 federal income tax return in June 2007, however, Rosofsky falsely stated that he only received \$112,000 in gross receipts, according to prosecutors.

Rosofsky admitted that he willfully signed the false tax return, thereby understating his total tax due for 2006 by at least \$82,853, according to prosecutors.

The defendant will be sentenced Sept. 17 by U.S. District Judge Roger Benitez.

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