

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

***United States Attorney
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For Immediate Release

FIVE ENTER GUILTY PLEAS IN MORTGAGE FRAUD SCHEME

NEWS RELEASE SUMMARY - November 20, 2008

San Diego, CA - United States Attorney Karen P. Hewitt announced that Rafael Santiago and Angel Armendariz pled guilty today in federal court in San Diego to conspiring to commit wire fraud. On November 13, 2008, co-defendants Abner Betch, Said Betch, and Aviva Betch pled guilty to conspiring to commit wire fraud as well. These five individuals entered their guilty pleas before United States District Judge Thomas J. Whelan. According to court documents, Rafael Santiago, Abner Betch, Said Betch, Aviva Betch, and Angel Armendariz admitted to devising a plan to defraud and to obtain money and property by false and fraudulent means, related to mortgage fraud. In 2005, Abner Betch, Said Betch and others founded Creative Financial Solutions, Inc. ("CFS"), a mortgage brokering company formerly located at 707 Broadway Avenue, Suite 1720, San Diego. CFS was in the business of sending loan application packages and other documents to lenders for review and funding. CFS did not fund loans but received commissions from the lenders when the loans closed. The five individuals were loan officers at CFS; in

addition to the commissions, they often received kickback payments when loans closed.

These five individuals admitted that CFS obtained mortgage loans for unqualified borrowers by, among other things, submitting false loan applications, false bank statements, and false income documentation. In total, the victim lenders funded more than \$16 million in loans on properties that have been foreclosed or are in the foreclosure process. These fraudulent loans resulted in actual losses to the victim lenders including the following: unrecovered loan proceeds, unpaid mortgage payments, the costs of recovering the properties through foreclosure, the costs of maintaining the recovered properties, and the costs of selling the properties after they had been foreclosed.

The sentencing for Rafael Santiago, Abner Betech, Said Betech, and Aviva Betech is scheduled for April 13, 2009, and sentencing for Angel Armendariz is scheduled for April 20, 2009. A sixth defendant, Lucette Montane, remains at large.

This case is the product of an investigation by the Federal Bureau of Investigation and Internal Revenue Service, Criminal Investigation Division.

DEFENDANTS

Criminal Case No. 08 CR 2387-W

Rafael Santiago
Abner Betech
Said Betech
Aviva Betech
Angel Armendariz
Lucette Montane

SUMMARY OF CHARGES

Title 18, United States Code, Section 1349 (Conspiracy to Commit Wire Fraud)

Maximum Penalties: 20 years' incarceration, a fine of \$250,000, three years of supervised release

AGENCIES

Federal Bureau of Investigation
Internal Revenue Service - Criminal Investigation