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EMERYVILLE LOAN OFFICER CHARGED IN KICKBACK SCHEME

Failed To Report More Than \$430,000 Of Income

SAN FRANCISCO, CA – United States Attorney Scott N. Schools announced that Renato Gonzales Quiazon, of Hayward was arrested on felony fraud charges arising from a loan kickback scheme. Yesterday, a federal grand jury indicted Renato Gonzales Quiazon, of Hayward, CA, with 11 counts of wire fraud, 12 counts of money laundering and four counts of filing false tax returns. These charges are the result of an investigation by the Internal Revenue Service - Criminal Investigation.

According to the indictment, Mr. Quiazon is alleged to have devised a scheme to fraudulently obtain payments of loan kickbacks, commissions and cash outs/extraneous line items from borrowers' escrow accounts. Beginning about January 2000 through October 2004, the defendant was employed as a loan officer with New Century Mortgage, located in Emeryville, CA. During this time, Mr. Quiazon entered into an agreement with an independent mortgage broker to use his name and broker's license on loans that the defendant processed as the loan officer. By using the mortgage broker's identity on these particular loans, New Century Mortgage issued a 1% commission (1% of the total loan amount) to the mortgage broker. As part of the agreement with the mortgage broker, the mortgage broker was to retain 20% of the commissions and pay Mr. Quiazon a kickback of 80% of the commissions.

In contrast to his arrangement with the mortgage broker, in about 2002, the defendant started to get the commission checks directly and forged the mortgage broker's signature on the back and deposited the checks into his bank account.

Mr Quiazon also filed false individual income tax returns for the tax years 2001, 2002, 2003 and 2004. The defendant deducted expenses that did not exist and failed to report the loan kickbacks and other payments that he received which totaled approximately \$430,661 for the period under investigation.

The maximum statutory penalty for each count of wire fraud, in violation of Title 18, U.S.C. § 1343 is 20 years and a fine of \$250,000. The maximum statutory penalty for each count of money laundering, in violation of Title 18, U.S.C. § 1956(a)(1)(B)(i) is 20 years and a fine of \$500,000, or twice the value of the property involved in the transaction.

The maximum statutory penalty for each count of filing a false return in violation of 26 U.S.C. § 7206(1) is three years imprisonment and a fine of \$250,000. However, any sentence following conviction would be imposed by the court after consideration of the U.S.

Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

An indictment contains only allegations against an individual and, as with all defendants, Mr. Quiazon must be presumed innocent unless and until proven guilty.

Thomas Moore is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Kathy Tat. The prosecution is the result of a [one and a half year] investigation by the Internal Revenue Service - Criminal Investigation.

Further Information:

Case #: CR 07-0553-MJJ

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Natalya LaBauve at (415) 436-7055 or by email at Natalya.LaBauve@usdoj.gov.

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