

# Office of Attorney General Terry Goddard



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FOR IMMEDIATE RELEASE

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## Glendale Man Indicted for Mortgage Loan 'Assistance' Scam

(Phoenix, Ariz. – Dec. 31, 2008) Attorney General Terry Goddard today announced that Bobby John Herrera, 33, of Glendale, has been indicted on one count of fraudulent schemes and artifices, one count of money laundering, one count of illegal control of an enterprise and five counts of theft. The charges, all felonies, relate to a mortgage “assistance” scam Herrera allegedly orchestrated, victimizing at least 10 Valley homeowners facing foreclosure.

According to investigators, Herrera solicited struggling homeowners with fraudulent claims that he could modify mortgage terms or provide other assistance to help them prevent foreclosure. Herrera allegedly claimed to have “connections” and expertise negotiating with mortgage lenders to reduce consumers’ monthly payments and prevent foreclosure.

In exchange for the services he claimed to provide, investigators said Herrera often charged the victims upfront fees of \$1,245.

In fact, Herrera is alleged to have not provided any such mortgage loan modification or foreclosure relief assistance, using the money instead for personal expenses.

“As the number of homeowners facing foreclosure has climbed, so has the number of scam artists seeking to exploit their financial hardship,” Goddard said. “We will aggressively pursue and prosecute anyone who sees struggling homeowners as good targets for fraud.”

The Attorney General’s Office began receiving complaints about Herrera on December 3. In response to the concerns raised in complaints, the Office initiated a criminal investigation into Herrera’s activities. The criminal investigation into this case involved the Arizona Attorney General’s Office, Surprise Police Department and Peoria Police Department.

In addition to the victims Herrera is charged with defrauding in this indictment, dozens of potential victims have approached the Attorney General’s Office with similar complaints since a consumer advisory on mortgage assistance scams was released in early December. A copy of this advisory can be found on the Attorney General’s Web site at [http://www.azag.gov/press\\_releases/dec/2008/Mortgage%20Assistance%20Advisory.pdf](http://www.azag.gov/press_releases/dec/2008/Mortgage%20Assistance%20Advisory.pdf).

Assistant Attorney General Andrei Cherny is prosecuting this case in Maricopa County Superior Court. Herrera was arrested late Tuesday by the Peoria Police Department and is currently in custody. A copy of the indictment is attached.

Goddard recommends that homeowners who are in or facing foreclosure seek assistance promptly from their mortgage lender or servicer or a government-certified housing counselor. Federal, state and local governments offer numerous free resources for distressed homeowners, including:

- Arizona Foreclosure Help-Line      1.877.448.1211
- Arizona Department of Housing      602.771.1000      [www.housingaz.com](http://www.housingaz.com)
- The U.S. Department of Housing and Urban Development  
800 CALL FHA (225.5342)      [www.hud.gov](http://www.hud.gov)
- Lawyers Helping Homeowners      [www.azlawhelp.org](http://www.azlawhelp.org)

Additional tips and resources are available on the Attorney General's Web site, [www.azag.gov](http://www.azag.gov).

If you believe you have been a victim of fraud, please contact the Attorney General's Office in Phoenix at 602.542.5763, in Tucson at 520.628.6504 or outside the Phoenix and Tucson metro areas at 1.800.352.8431. To file a complaint in person, the Attorney General's Office has satellite offices throughout the state with volunteers available to help. Locations and hours of operation are posted on the Attorney General's Web site. Consumers can also file complaints online by visiting the Attorney General's Web site at [www.azag.gov](http://www.azag.gov).

For additional information, please contact Anne Hilby at (602) 542-8019.

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