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FOR IMMEDIATE RELEASE

Fraud Artist who Victimized 47 Homeowners Gets Five-Year Prison Term

(Phoenix, Ariz. – June 5, 2009) Attorney General Terry Goddard today announced that Bobby John Herrera, 33, of Glendale, has been sentenced to five years in prison as the result of a mortgage loan assistance scam he orchestrated that victimized 47 Valley homeowners. Herrera was also ordered to pay \$80,541 in restitution to victims.

In December 2008, Herrera was arrested by Surprise and Peoria police in connection with the scheme. He pleaded guilty to one count of fraudulent schemes and artifices, a Class 2 felony, in Maricopa County Superior Court in April.

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

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

Assistant Attorney General Todd Lawson prosecuted this case in Maricopa County Superior Court. A photograph of Herrera is attached.

A consumer advisory on mortgage assistance scams was released in December. A copy can be found on the Attorney General’s Web site at http://www.azag.gov/press_releases/dec/2008/Mortgage%20Assistance%20Advisory.pdf.

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 the Arizona Foreclosure Help-Line at 1.877.448.1211. Additional tips and resources are available on the Attorney General’s Web site, www.azag.gov.

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