

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. Secret Service

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**OPERATION "GOLDEN FINANCIAL" DEFENDANTS SENTENCED IN
MORTGAGE FRAUD AND IDENTITY THEFT SCHEME**

LOS ANGELES – On Monday, November 3, 2003, a 20-month investigation dubbed "Operation Golden Financial" came to a close with the sentencing of the last of seven defendants involved in the complex mortgage fraud scheme. The leader of the conspiracy was sentenced to more than 13 years in prison, one of the highest sentences awarded for a fraud violation in the Central District of California.

"Identity theft is not directed at any particular demographic; instead, it affects all types of Americans, regardless of age, gender, nationality, or race," said Anthony Chapa, Special Agent in Charge of the U.S. Secret Service Los Angeles Field Office. "In this case, the defendants preyed on victims who both lacked English language-skills, and a knowledge of the American financial system."

"Because most identity crimes fall under the jurisdiction of the Secret Service, we have taken an aggressive stance and continue to be a leading agency for the investigation of such criminal activity," Chapa added.

The defendants were prosecuted by Assistant United States Attorney Mark Aveis from the U.S. Attorney's Office for the Central District of California on charges of conspiracy (18 U.S.C. 371), loan fraud (18 U.S.C. 1014), and identity theft (18 U.S.C. 1028).

The multi-faceted fraud scheme had been in existence since 1995, primarily in Kern, Los Angeles and San Diego Counties when the defendants were arrested in January 2003. The Secret Service investigation discovered that the defendants stole victims' identities and used these identities to fraudulently purchase properties. In one instance, the defendants convinced a victim to pay \$70,000 in mortgage equity into a fraudulent investment scheme. More than 70 victims were identified and fraud losses exceeded \$1.8 million.

The defendants included:

Elisa Lugo – Sentenced to 151 months (13 years, 7 months) and ordered to pay restitution in the amount of \$1,876,170.96.

Margarita Zapico – Sentenced to 33 months and ordered to pay restitution in the amount of \$376,353.80.

Manuel Ponce - Sentenced to 34 months and ordered to pay restitution in the amount of \$426,052.73.

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Shari Dominguez - Sentenced to 24 months and ordered to pay restitution in the amount of \$333,526.41.

Francisco Astorga- Sentenced to 24 months and ordered to pay restitution in the amount of \$42,492.92.

Maria Zavala - Sentenced to 30 months and ordered to pay restitution in the amount of \$225,574.72.

Gabriela Orozco - Sentenced to 5 years probation and ordered to pay restitution in the amount of \$123,977.70.

The Secret Service was originally established within the Department of the Treasury in 1865 to combat the counterfeiting of U.S. currency. Since that time, the agency has been tasked with the investigation of financial crimes, as well as the protection of the nation's leaders, visiting foreign dignitaries and events of national significance.

With the passage of new federal laws in 1982 and 1984, the Secret Service was provided primary authority for the investigation of access device fraud, including credit and debit card fraud, and parallel authority with other law enforcement agencies in identity crime cases. The explosive growth of these crimes has resulted in the evolution of the Secret Service into an agency that is recognized worldwide for its expertise in the investigation of all types of financial crimes. The agency's efforts to detect, investigate and prevent financial crimes are aggressive, innovative and comprehensive.

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