

Five San Fernando Valley men sought in mortgage fraud scheme

Five San Fernando Valley men are being sought in connection with an elaborate home-loan modification scheme that defrauded 1,500 homeowners out of \$2.3 million, state prosecutors said Thursday.

Four of the suspects were owners of bogus companies called Mason Capital Group and Gretchen Fox and Associates, according to a statement released by state Attorney General Jerry Brown. The fifth was identified as a salesman.

During an investigation launched in March 2009, authorities determined that the companies duped homeowners facing foreclosure into paying fees of \$1,500 to \$5,000 for mortgage modification services that were never provided.

Instead, the fees went to pay private school tuition, travel, entertainment, shopping and other personal expenses, prosecutors said.

"This company was just a boiler room, long on promises and upfront fees but short on foreclosure relief," Brown said in a statement. "Its operators cruelly defrauded citizens trying valiantly to hang on to their homes."

A search warrant served at the companies' Canoga Park office uncovered a casino-themed sales floor complete with craps, poker and black jack tables fashioned as workstations, and a roulette wheel.

The companies' owners were identified as Niv Iskin, 30, and Tomer Kogman, 29, both of Reseda; Reviv Karpman, 38, of Tarzana; and Avraham Yechizkia, 34, of Encino.

Barel Iskin, 23, of Woodland Hills, identified as a salesman, is also being sought.

Four others suspected of participating in the scheme are already in custody.

They were identified as Gregg Scott Quinn, 37, of Camarillo; and Juan Pierre Washington, 40, of Winnetka; Gary Arnold Eisenberg, 71, of Westwood; and Ira Itskowitz, 58, of Calabasas.

According to Brown's office, Eisenberg and Itskowitz had previously served more than five years in federal prison for fraud.

The nine men face 97 criminal counts, including 63 counts of grand theft, 26 counts of unlawful foreclosure consulting, seven counts of tax evasion and one count of conspiracy, prosecutors said.

Authorities said the telemarketers for the two companies contacted homeowners facing foreclosure or significant increases in their mortgage payments.

They promised that their team of "attorneys, forensic accounting personnel and loan negotiators," would negotiate reductions in interest rates, monthly payments and principal balances, prosecutors said.

Between January 2008 and June 2009, the companies victimized more than 1,500 people, prosecutors said.

Investigators located victims in dozens of California cities, including Encino, Lancaster, Long Beach, Los Angeles, North Hollywood, Newhall, Palmdale, Valley Village and Van Nuys.

As part of his case, Brown said his office will seek restitution for victims.