



SIGTARP

Office of the Special Inspector General
For The Troubled Asset Relief Program

FOR IMMEDIATE RELEASE

Tuesday, May 7, 2019

Media Inquiries: 202-927-8940

www.sig tarp.gov

@SIGTARP

MAN PLEADS GUILTY TO TARP HOMEOWNER RELIEF FRAUD

A Corona, California man has become the first individual to plead guilty to federal charges for fraudulently obtaining tens of thousands of dollars in mortgage assistance benefits under the portion of the Troubled Asset Relief Program (TARP) intended for homeowners hardest hit by the 2007-09 economic downturn.

Eliseo Delgado Jr., 40, entered a guilty plea on Monday to one felony count of making a false or fraudulent claim against the United States. Delgado made the first known guilty plea by an individual to fraud charges regarding TARP's mortgage assistance program. United States District Judge Jesus G. Bernal has scheduled an October 28 sentencing hearing, where Delgado faces a statutory maximum sentence of five years in federal prison.

According to court documents, in November 2014, Delgado knowingly submitted a false application for homeowner relief benefits under the Unemployment Mortgage Assistance Program (UMA). UMA was a federally funded program under TARP that was administered in California by the California Housing Finance Authority's Mortgage Assistance Corporation under the name "Keep Your Home California." The program was designed to help homeowners by providing temporary mortgage assistance to eligible low- to moderate-income homeowners who became unemployed. Congress passed TARP to stabilize the nation's financial system during the financial crisis of 2008. In 2010, using TARP money, Congress established the Hardest Hit Fund (HHF), to provide targeted aid to families in states hit hard by the economic and housing market downturn.

Delgado's November 2014 application for homeowner relief benefits fraudulently stated that Delgado's income had been reduced because of unemployment. In a "hardship letter" in support of his application for UMA benefits, Delgado wrote, "I have lost my job...I fell behind on my mortgage payments in 01/01/2014, earlier this year due to lack of income." In fact, from 2009 to 2016, Delgado was self-employed at various businesses he had founded, and at no point was he unemployed. In total, Delgado fraudulently received \$52,373 in UMA benefits from January 2015 until June 2016 – 18 months, the maximum length of time permissible under the program, according to court documents.

This case was investigated by SIGTARP and is being prosecuted by Assistant United States Attorney Benjamin Weir of the Riverside Branch Office.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets crime at financial institutions or in TARP housing programs and is an independent watchdog protecting the interests of the America people. SIGTARP investigations have resulted in the recovery of \$10 billion and 278 defendants sentenced to prison.

To report a suspected crime related to TARP, call SIGTARP's Crime Tip Hotline: 1-877-744-2009. To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov. Follow SIGTARP on Twitter @SIGTARP.

###