



NEWS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
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Los Angeles Man Pleads Guilty to his Participation in a Mortgage Fraud Scheme

Defendant Failed to Report Proceeds of the Fraud on His Tax Return

LOS ANGELES – Appearing before United States District Judge Otis D. Wright II, a Los Angeles man pleaded guilty this morning to one felony count arising from his role in a mortgage fraud scheme in which he failed to report the proceeds of the fraud on his income tax return.

Amaziah Yahalom, who also goes by Andre C. Page, 35, pleaded guilty to one count of tax evasion, admitting in court today that the mortgage fraud scheme in which he participated caused losses of \$800,000 to WMC Mortgage and \$425,000 to PHH Mortgage.

According to documents filed with the court, in 2005, after falling behind on his mortgage payments for his Beachwood Drive home in Los Angeles, co-schemer William Beard was referred to Yahalom and another unidentified co-defendant for assistance in eliminating his mortgage on the property. That scheme involved a series of false documents, including a fraudulent Full Reconveyance purportedly authorized by the lender that was instead signed by Beard's two roommates. The purpose of the Reconveyance was to make it appear as if Beard had paid off his mortgage through the false representation that Beard's roommates were authorized to declare the mortgage satisfied.

In June of 2005, Yahalom obtained an \$800,000 loan from WMC Mortgage through providing false information about his income and employment, and purchased Beard's Los Angeles home. Beard caused a payoff demand to be

sent from the unidentified co-defendant's company North West Capital for the false loan. Based on that payoff demand, the escrow company sent \$800,000 to North West Capital's bank account in the state of Washington. No proceeds were paid to Wells Fargo Mortgage, the true holder of the mortgage lien, because the title company did not recognize the Reconveyance as fraudulent and treated the Wells Fargo Mortgage lien as having been satisfied. The \$800,000 was divided amongst the co-schemers with Yahalom receiving \$130,000.

Yahalom filed his 2005 tax return failing to report the \$130,000 of scheme proceeds.

In a separate but similar scheme, in 2007, Beard introduced his friend John-Pierre Rivera to Yahalom and the unidentified co-defendant, so that Rivera could eliminate the mortgage on a property he owned on Division Street in Los Angeles. Through the use of another false Reconveyance, Beard, Rivera, the unidentified co-defendant, and Yahalom caused a title company to believe that the first mortgage on the Division property had been satisfied. An unsuspecting buyer offered to purchase Rivera's real property and obtained a loan of at least \$414,150 from PHH Mortgage. The title company did not recognize that the Reconveyance was fraudulent and Rivera's lender did not receive any proceeds from the sale of the Division property. Again, the proceeds of the fraudulent loan were distributed amongst the co-defendants, with Yahalom receiving \$130,000 in 2008.

The specific count to which Yahalom pleaded guilty today relates to the filing of his 2008 tax return. Again, the fraudulent proceeds of the loan were never reported to the IRS. Yahalom failed to file his 2008 federal income tax return, thus never reporting the \$130,000 of loan proceeds received as income in 2008.

For the 2005 and 2008 tax years, Yahalom evaded the payment of income tax of approximately \$45,000.

In June of 2014, Beard received a sentence of 16 months imprisonment and was ordered to pay restitution of over \$1.3 million for his role in the scheme. In 2010, Rivera pleaded guilty to one count of tax evasion and is scheduled to be sentenced on June 6, 2016.

As a result of today's guilty plea, Yahalom faces a statutory maximum sentence of 5 years in federal prison and fines up to \$250,000 when he is sentenced on July 21, 2016. He may also be ordered to pay restitution.

This investigation was conducted by IRS Criminal Investigation and the Federal Bureau of Investigation, in conjunction with the United States Attorney's Offices for the Central District of California and Western District of Washington.

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