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For Immediate Release

Contact: [Paul Levikow](#)
(619) 531-3536

Grand Jury Indicts Ten Defendants in Widespread Home Foreclosure Rescue Scam

Brazen Scheme Bilked Hundreds of Victims Facing Foreclosure

San Diego County District Attorney [Bonnie M. Dumanis](#) said today that ten people have been indicted by the Grand Jury on a huge real estate fraud scheme that stole hundreds of thousands of dollars from victims. The scam was discovered last summer after the suspects victimized some 400 homeowners in San Diego and Riverside Counties.

“This case serves as a strong warning. When people facing extreme financial crisis are preyed upon this way, the District Attorney’s Office will aggressively investigate and prosecute,” said DA Dumanis. “This scam left the victims far worse off than they were before.”

The defendants preyed on mostly non-English speaking, Hispanic homeowners who were in foreclosure, claiming to offer assistance through a land grant. The defendants used the business names of Federal Land Grant Company; Land Grant Services; and KBS Resources.

The District Attorney’s Office sought and received indictments on more than 150 felony counts. Arraigned in Superior Court today on charges of conspiracy, grand theft, and deceitful practices as foreclosure consultants were William Hutchings, 62; Xiaoke Li, 43; both of San Diego (Scripps Ranch); Edgar Martinez, 30; Diego Gil, 38, Shawna Landis, 29; of Sorrento Valley, Octavio Escatel, 29; Joel E. Garcia, 26; Stephen P. Mauer, 54; Rose M. Napoli, 34; and Alex Olmos, 39. If convicted, the defendants face from three to 25 or more years in prison. The District Attorneys Office also took action to freeze the bank accounts of the suspects to preserve assets for restitution for the victims.

Two methods were used for inducing owners of residences in foreclosure to participate in a so-called land grant program. One method required homeowners to pay a one-time fee of up to \$10,000 to put their property in a land grant. The second method was a lease back scheme. In both scenarios, the homeowner was typically evicted from their property at the completion of foreclosure proceedings and retained no legally recognized title to their property.

You can find more information about the DA’s efforts to prosecute and prevent real estate fraud on its [public website at SanDiegoDA.com](#).

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