



SIGTARP

Office of the Special Inspector General
for the Troubled Asset Relief Program

Lawyer and Co-Conspirator Sentenced to Prison for Participating in a Multimillion-Dollar Fraud Scheme

In July 2019, a federal court sentenced lawyer Rajesh Maddiwar to five years in prison, and sentenced Owen Reid to one year and one day in prison for a multimillion-dollar criminal scheme that defrauded New York homeowners in the Bronx, Brooklyn and Queens out of their homes, including those seeking mortgage modifications through TARP's HAMP program. In May 2015, Amir Meiri, Mario Alvarenga and Maddiwar were indicted. In December 2015, Owen Reid and two co-conspirators were indicted. SIGTARP agents participated in the arrest of Maddiwar, Reid, Alvarenga, H. Meiri and Samantha Boubert. The court sentenced Herzel Meiri and Amir Meiri, the owners of Launch Development, to 10 years in prison, and 5 years in prison respectively.

From 2013 to 2015, Reid and co-conspirators, collectively called the Hillside Fraud Team, targeted distressed homeowners in the New York City area, including the Bronx, Brooklyn, and Queens. The Hillside Fraud Team sent mailers to owners of distressed properties on letterhead of the Homeowners Assistance Services of New York offering foreclosure prevention services. Reid and others trained and directed telemarketers to meet with the homeowners to appeal to the emotions of the homeowners. They developed a script that included in substance, a statement that a short sale would be a means for homeowners to lower their monthly payments and still remain in their home. Many homeowners – some of whom were elderly or in poor health – met with Reid or another member of the Hillside Fraud Team who advised them that they could assist with a loan modification. The homeowners were then told that a loan modification could not be completed, but they could sell the property to Launch Development, and then a relative could repurchase the property within 90 days, with the homeowner staying in the home.

There would then be a closing, where unbeknownst to the homeowner, they were selling their homes to a Hillside Business, often Launch Development. At the closing, the homeowner would meet with lawyer Maddiwar who told the homeowners that he would be their attorney. Maddiwar encouraged homeowners to sign documents that in some cases were blank. The homeowners did not know that they were selling their home to Launch Development for well below market value.

A member of the Hillside Fraud Team typically appeared at the homeowner's residence and demanded that the homeowner vacate the premises or commenced eviction proceedings. This fraud generated millions of dollars because they resold the houses at enormous profits. SIGTARP was joined in the investigation by the FBI and the New York State Department of

Financial Services. The U.S. Attorney's Office for the Southern District of New York prosecuted the case.