

## **Real estate broker gets 68 years in prison for \$17.5 million fraud**

WESTMINSTER – A real estate broker was sentenced to 68 years and six months in prison Monday for a \$17.5 million real estate fraud scheme in which she used stolen identities to illegally purchase properties, then defaulted on the loans to pocket the loan money.

Kathy Chen, 49, was convicted in May of 136 felony counts, including one count of conspiracy, 47 counts of grand theft, 37 counts of forgery, 15 counts of identity theft and three counts of filing false tax returns.

Two co-defendants, Richard Salgado Gonzalez, 60, her former boyfriend, and Daniel Gonzalez, 57, Richard's brother, are still at large. Warrants have been issued for their arrest.

Chen owned three businesses, including Chen Financial, KC Realty and SBC Financial, prosecutors said. Chen and the Gonzalez brothers obtained 47 fraudulent loans amounting to \$17.5 million on 35 properties in Orange, San Bernardino and Kern counties between 2005 and 2007, prosecutors said.

During the trial, Deputy District William Overtoom argued that Chen used fraudulently obtained personal and credit information of unwitting borrowers without their knowledge or consent. Most of the victims were elderly, first-generation immigrants, and had little or no income, he said.

She then doctored loan applications to reflect higher incomes for the phony buyers, and forged their signatures on notarized deeds and loan documents, Overtoom said. Chen and her accomplices then purposely defaulted on payments to steal the loan fees, he added.

Overtoom said the sentence was appropriate. She faced a maximum penalty of about 111 years in prison.

"She has shown no remorse," he said.

"There is one unmentioned victim in this case — the California taxpayer," Franchise Tax Board spokesman John Barnett added. "When someone evades tax or files fraudulent returns, that person turns all the honest California taxpayers into victims."