

Lawyer In Loan Modification Scheme Charged With Bank Fraud

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By Darren Waggoner

A Washington, D.C. lawyer, accused late last year of collecting more than \$1.2 million from homeowners with false promises to arrange loan modifications, has been charged with bank fraud after depositing \$2.4 million in counterfeit checks at several banks.

Howard R. Shmuckler allegedly deposited the checks between April and October 2005, according to federal court documents. According to an affidavit, Shmuckler deposited 11 checks supposedly written to him from companies such as software giant Oracle USA Inc. and the National Bank of Canada. The checks were returned by the companies as fakes.

Shmuckler was arrested last week and released on his own recognizance. Calls to his attorney were not returned today and Shmuckler could not be reached.

His criminal past dates to 1996, when he pleaded guilty in California to bankruptcy fraud after he hid a Jaguar convertible and other assets from creditors. After the conviction, he was banned from practicing law in the state but it took another 10 years for that case to catch up to him in Washington, D.C.

The Maryland Department of Labor, Licensing and Regulation in December issued a cease-and-desist order to his firm, The Shmuckler Group. The order accused Shmuckler and two other men of collecting more than \$1.2 million in fees to help homeowners avoid foreclosure. The department says the firm charged 372 Maryland homeowners an average of \$3,440 but only obtained loan modifications for about 25% of their clients. They then refused to provide refunds.

Shmuckler's Web site mentions an FBI raid that occurred in March 2009 and blames an ex-employee, who had been terminated, for instigating the raid. The site does not mention why the firm's offices were targeted or how the investigation was resolved.

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