

Detecting and Deterring Real Property Fraud

William A. Anderson

Vice President of Best Practices and eNotarization



Poll Question

Tell us about yourself:

- This is my first NSA Webinar
- I have attended 1 previous NSA Webinar
- I have attended more than 2 NSA Webinars
- I have attended more than 3 NSA Webinars

Presentation Goals

Key Frauds

- Fraud types NSAs should know

Fraud Red Flags

- What to watch out for

Fraud Hot Spots

- Metropolitan areas prone to fraud

Notary Fraud

- How Notaries get involved in fraud

Definitions

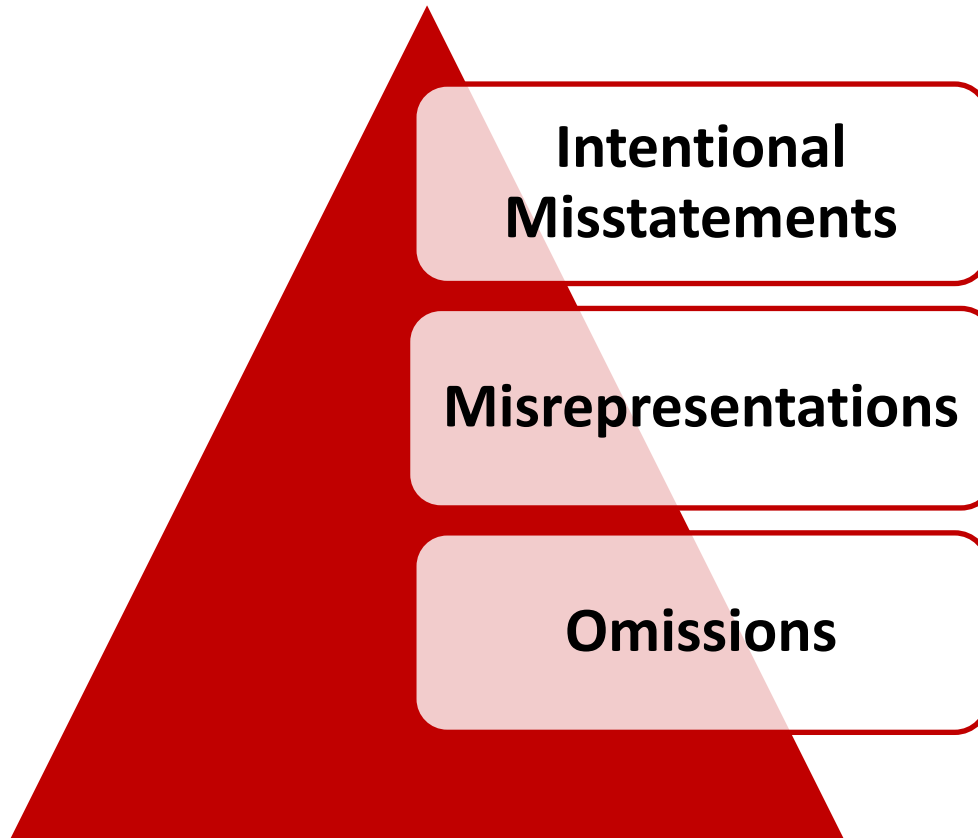
Deed Fraud

- Fraudulent conveyance or transfer of title or an interest in real property.

Mortgage Fraud

- Deception resulting in a bank, lender or investor buying, funding or insuring a loan.

What Is Mortgage Fraud?



Poll Question

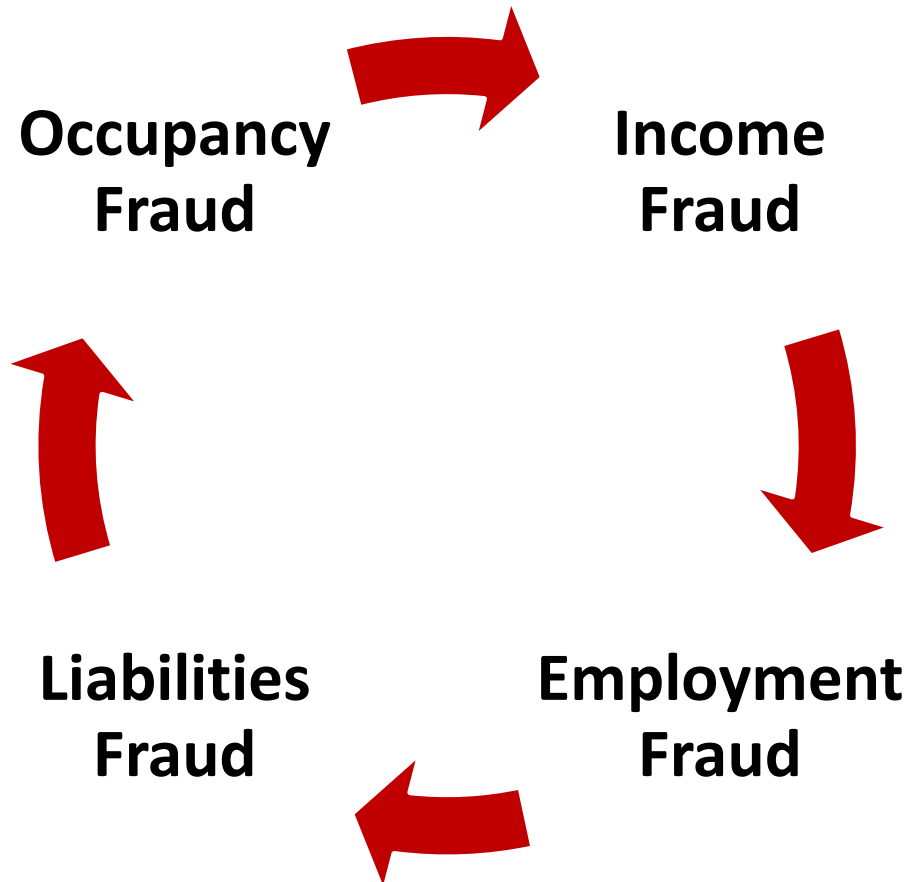
Mortgage fraud is committed primarily by investors (people wanting to make a buck).

- True
- False

Motivations for Mortgage Fraud



Fraud for Property



Fraud Schemes

**Buy and
Bail**

Chunking

**Double
Selling**

**Fictitious
Loan**

**Phantom
Sale**

**Property
Flipping**

**Reverse
Mortgage**

**Loan Mod./
Refinance**

**Short
Sale**

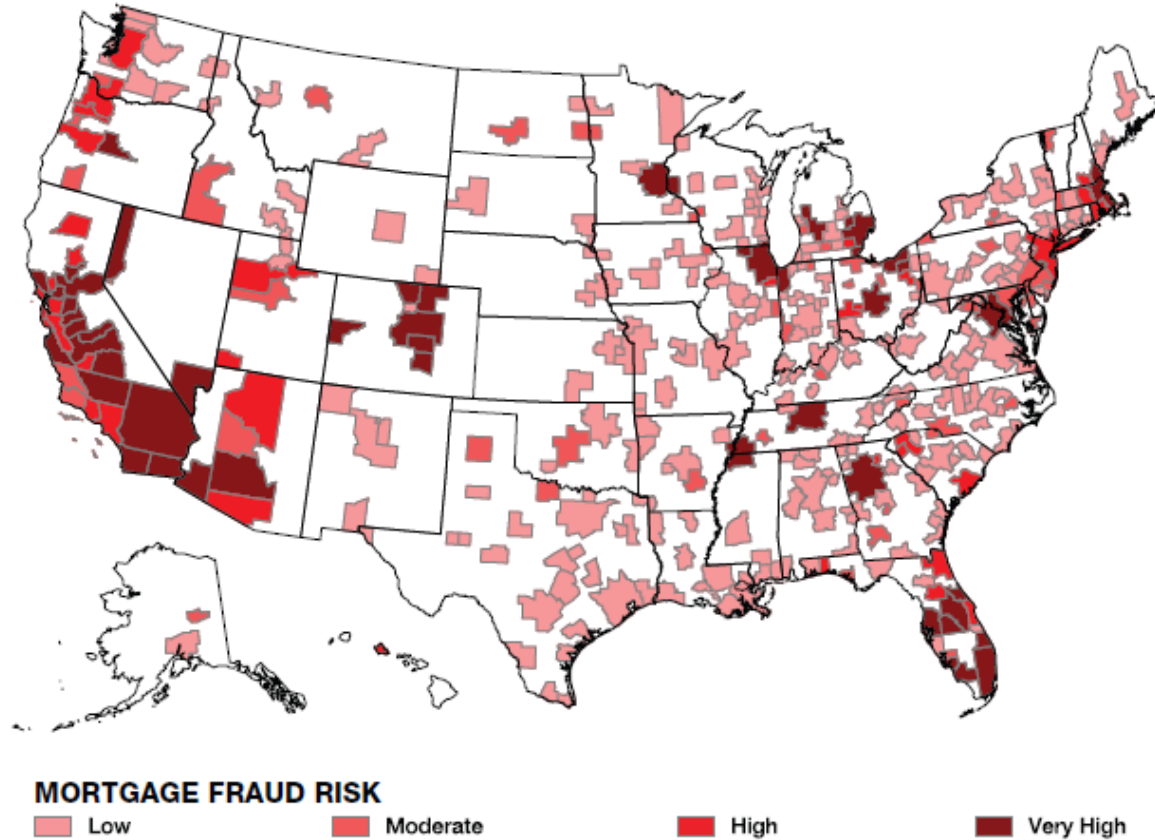
Source: [“The Detection and Deterrence of Mortgage Fraud Against Financial Institutions: A White Paper”](#)
published by the Federal Financial Institutions Examination Council (FFIE).

Poll Question

Which metropolitan area is not a hot spot for fraud?

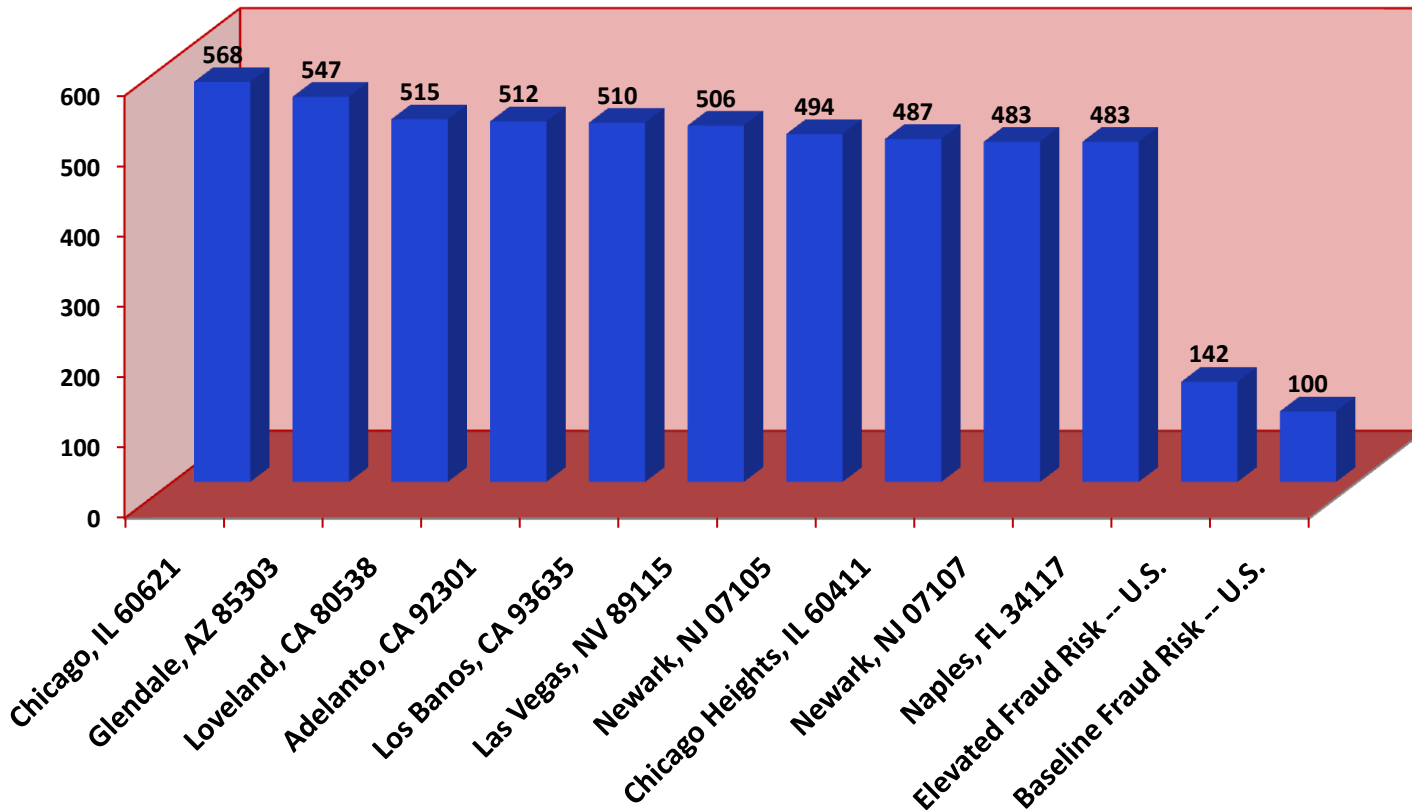
- Phoenix, AZ
- Las Vegas, NV
- Chicago, IL
- Bend, OR
- Minneapolis-St. Paul, MN

Top Metropolitan Statistical Areas



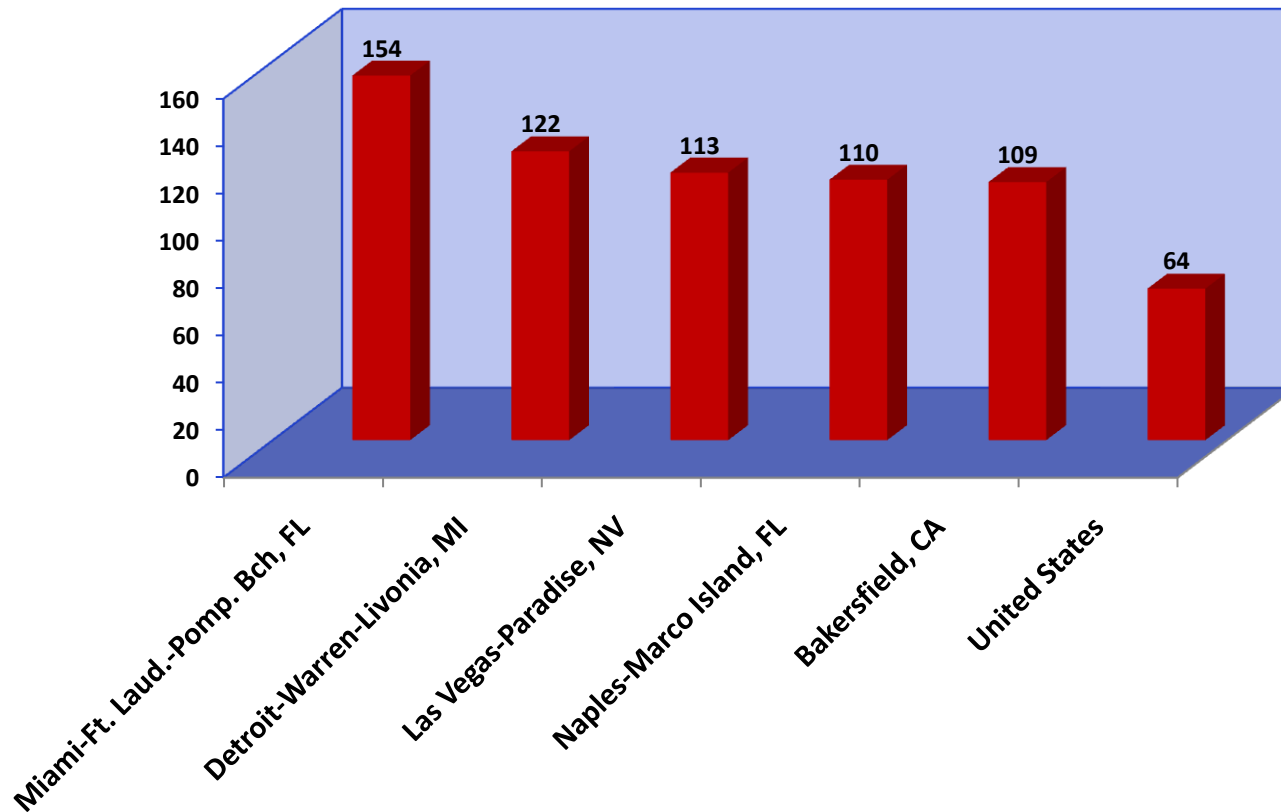
Source: "Interthinx Q4 2010 Mortgage Fraud Risk Report," available as a free download online (registration required) at www.interthinx.com

Top 10 Zip Codes for Mortgage Fraud



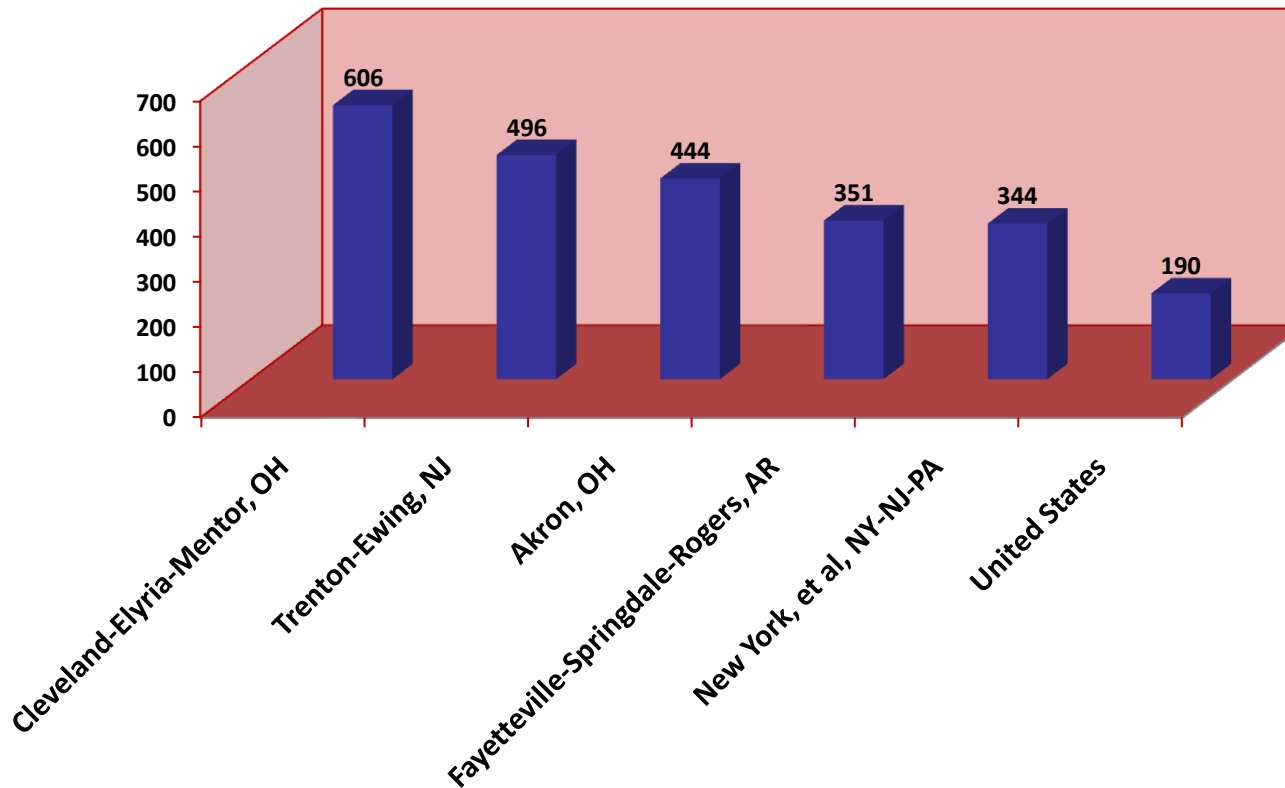
Source: "Interthinx Q4 2010 Mortgage Fraud Risk Report," available as a free download online (registration required) at www.interthinx.com

Occupancy Fraud Risk MSAs



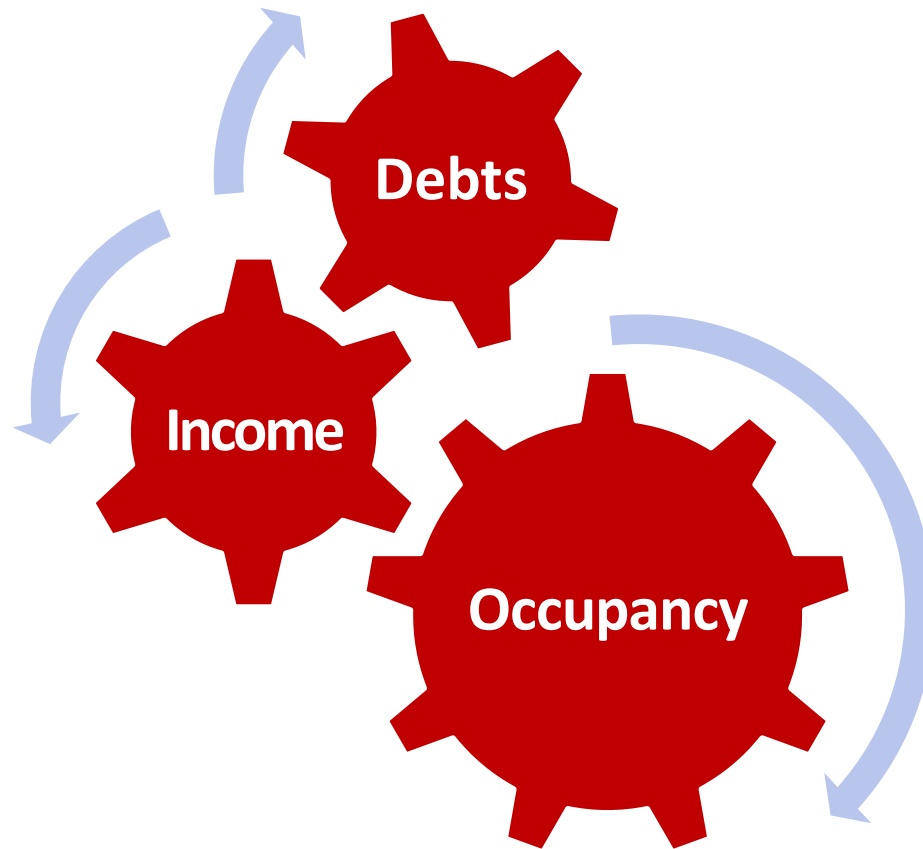
Source: "Interthinx Q4 2010 Mortgage Fraud Risk Report," available as a free download online (registration required) at www.interthinx.com

Identity Theft Fraud Risk MSAs

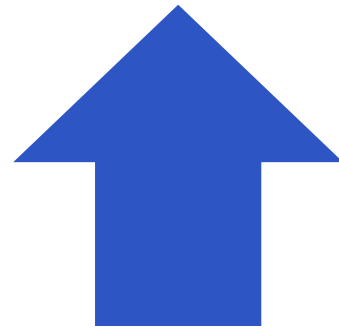


Source: "Interthinx Q4 2010 Mortgage Fraud Risk Report," available as a free download online (registration required) at www.interthinx.com

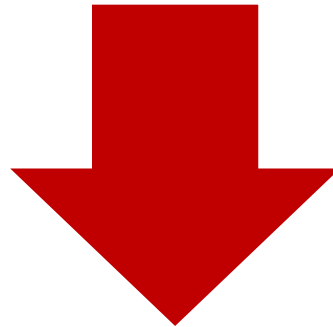
Red Flags: Misrepresentation



Red Flags: Powers of Attorney

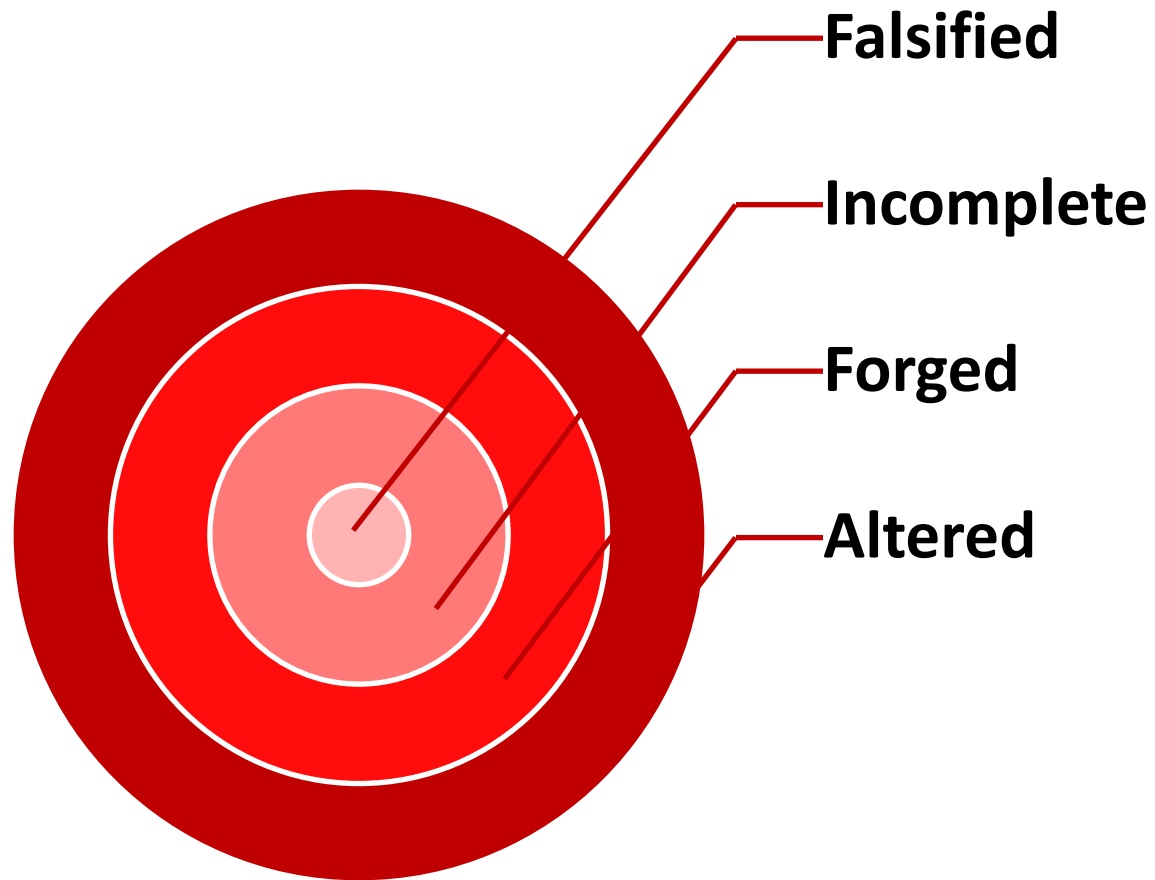


**Cash-Out
Refinance**



**Reverse
Mortgage**

Red Flags: Documentation



Red Flags: Identity

Identification Documents

Forged

Altered

Personal Identifying Information

Names

Address

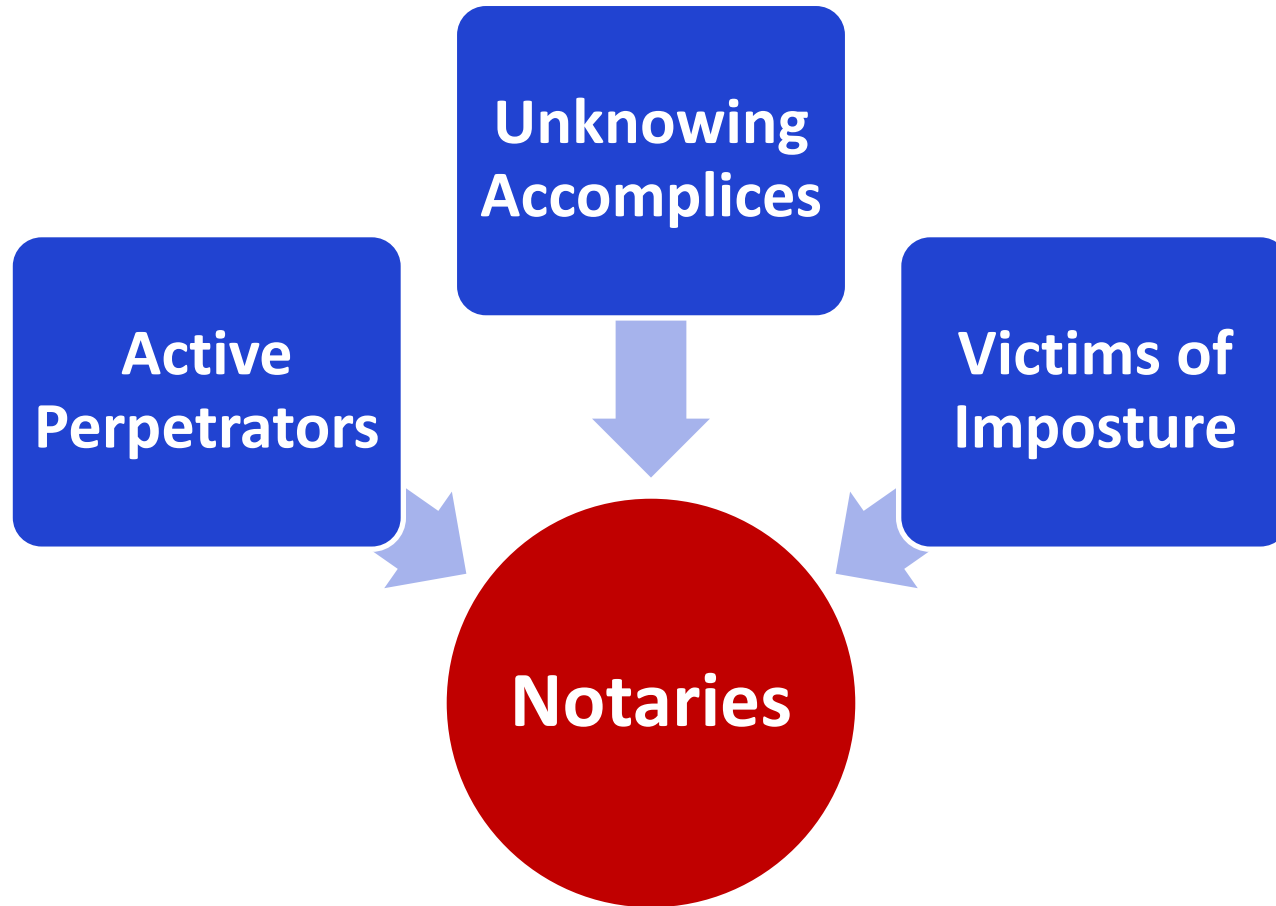
Behaviors

Can't Recite P.I.I.

Uneasy, Hasty

More identity theft red flags are documented online in the U.S. Code of Federal Regulations (CFR) Title 12 Part 41 [Fair Credit Reporting Act Final Rules](#)

How Notaries Are Involved in Fraud



Active Perpetrators

“Robo-signers” signed a person’s name on thousands of affidavits and mortgage assignments to support foreclosure motions in court:



“Unfair, Deceptive and Unconscionable Acts in Foreclosure Cases,” Office of Florida Attorney General Economic Crimes Division

Active Perpetrators

Notary appears to have signed the officer's name, and has signed as the witness and Notary to the document:

In Witness Whereof, the said Assignor has hereunto set his hand and seal or caused these presents to be signed by its proper corporate officers and its corporate seal to be hereto affixed.

Signed in the presence of _____ MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.

ATTEST: _____ BY: _____
WITNESS: _____ PRINT NAME: CHERYL SAMONS
TITLE: ASSISTANT SECRETARY

Print Name: Elizabeth Lee
WITNESS: _____
Print Name: Cheryl Samons
STATE OF Florida
COUNTY OF Franklin

PERSONALLY APPEARED BEFORE ME, the undersigned authority, in and for the aforesaid county and state, on this the 5 day of June, 2007, within my jurisdiction, the within named Cheryl Samons, who acknowledged to me that (s)he is ASSISTANT SECRETARY and that for and on behalf of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. and as its act and deed (s)he executed the above and foregoing instrument, after first having been duly authorized by MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. to do so.

WITNESS my hand and official seal in the County and State last aforesaid this 5 day of June, 2007.

NOTARY PUBLIC - STATE OF FLORIDA
Elizabeth Lee
Commission # DD625623
Expires: APR. 26, 2011
BONDED THRU ATLANTIC MORTGAGE CO., INC.

NOTARY PUBLIC

COPY

“Unfair, Deceptive and Unconscionable Acts in Foreclosure Cases,” Office of Florida Attorney General
Economic Crimes Division

Active Perpetrators

Assignments were created after the fact to cover up missing assignments. Notary seals were “passed around” because the Notary’s commission expiration date on this assignment expires too far in the future.

NOT AN OFFICIAL COPY

ASSIGNMENT OF MORTGAGE

KNOW ALL MEN BY THESE PRESENTS: THAT MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. (MERS), being designated as the assignee, for and in consideration of the sum of \$100,000.00 (One Hundred Thousand Dollars), to the best of my knowledge and belief, the receipt of which is hereby acknowledged, does hereby assign, convey, sell, transfer, and mortgage unto DEUTSCHE BANK TRUST COMPANY AMERICAS, AS TRUSTEE, for the benefit of the holders of the Mortgage, the mortgage contained in the Mortgage Document, Florida Notary Public, State of Florida, County of Charlotte, Florida, at book 2808 and page 397 records.

LOT 7, BLOCK 886, PUNTA GORDA ISLES, SECTION 23, IN PLAT BOOK 12, PAGES 24 THROUGH 244, OF THE PUBLIC LANDS OF THE STATE OF FLORIDA, together with the site and each and every other obligation described in the Mortgage Document, together with the site and each and every other obligation described in the Mortgage Document, together with the site and each and every other obligation described in the Mortgage Document.

Pursuant to the provisions of Sec. 689.071, Florida Statutes, the undersigned, Notary Public, State of Florida, County of Broward, do hereby certify that I am a Notary Public, State of Florida, County of Broward, and that I am duly authorized to perform the duties of a Notary Public, State of Florida, County of Broward.

In Witness Whereof, the said Assignor has hereunto set his hand and the seal of the said Assignor at his business office, in the County of Broward, State of Florida, this 26th day of September, 2007.

Signed in the presence of: _____

ATTEST: _____

WITNESS: _____

Print Name: _____

STATE OF _____

COUNTY OF _____

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. BY: _____ TITLE: ASSISTANT SECRETARY

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the aforesaid county and state, on this the 26 day of Sept, 2007, within my jurisdiction, the within named Cheryl Samons who acknowledged to me that (s)he is ASSISTANT SECRETARY and that for and on behalf of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. and as its act and deed (s)he executed the above and foregoing instrument, after first having been duly authorized by MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. to do so.

26 day of Sept, 2007

Michelle L. Camacho
NOTARY PUBLIC

NOTARY PUBLIC
MICHELLE L. CAMACHO
MY COMMISSION # DD700715
EXPIRES March 24, 2012
Notary Discount Assoc. Co.

NOTARY PUBLIC
CAMACHO
0700715
2012
Assoc Co.

NOT AN OFFICIAL COPY

“Unfair, Deceptive and Unconscionable Acts in Foreclosure Cases,” Office of Florida Attorney General
Economic Crimes Division

Active Perpetrators

From a deposition of an employee who was a Notary:

Q Would these notaries be there watching her [Cheryl Samons] as she signed?

A No.

Q She would just sit there and sign stacks of them?

A Correct. As far as notaries go in the firm I don't think any notary actually used their own notary stamp. The team used them.

Q There were just stamps around?

A Yes.

Q And you actually saw that?

A I was part of that.

[“Unfair, Deceptive and Unconscionable Acts in Foreclosure Cases,”](#) Office of Florida Attorney General
Economic Crimes Division

Active Perpetrators

Documents with a blank signature line were notarized:



[“Unfair, Deceptive and Unconscionable Acts in Foreclosure Cases,”](#) Office of Florida Attorney General Economic Crimes Division

Unknowing Accomplices

St. Petersburg Times

Most emailed

- ❑ Sports on TV/radio
- ❑ Chris Isaak, Bonnie Raitt, Colbie Caillat headline 2011 Taste of Pinellas
- ❑ Florida spring: Love is in the air, on cars and hanging by a thread
- ❑ Experts say Gov. Rick Scott's growth management stance based on faulty premise
- ❑ Pinellas County Sheriff on the hook for \$14 million in spending cuts for next year

News

- ❑ St. Peter's Cathedral puts

Notary blamed in marriage fraud case

By Susan Taylor Martin, Times Senior Correspondent
In Print: Monday, October 4, 2010

Michelle Testa is suing the notary and the bank he used to work for because she says he fraudulently notarized a marriage certificate that led to her credit being ruined.



[DOUGLAS R. CLIFFORD | Times]

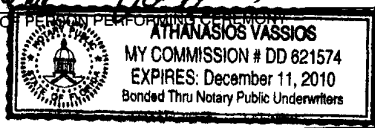
["Notary blamed in marriage fraud case," St. Petersburg Times \(October 4, 2010\)](#)

Department of Health • Vital Statistics
STATE OF FLORIDA
MARRIAGE RECORD
 TYPE IN UPPER CASE
 USE BLACK INK

(STATE FILE NUMBER)

2008 ML 1183499
 (APPLICATION NUMBER)

APPLICATION TO MARRY			
1. GROOM'S NAME (First, Middle, Last) SCOTT ALAN GOSTYLA		2. DATE OF BIRTH (Month, Day, Year) 08/07/1966	
3a. RESIDENCE - CITY, TOWN, OR LOCATION NEW PORT RICHEY	3b. COUNTY PASCO	3c. STATE FL	4. BIRTHPLACE (State or Foreign Country) NEW JERSEY
5a. BRIDES NAME (First, Middle, Last) MICHELLE LYNN TESTA		5b. MAIDEN SURNAME (If different) TESTA	
6. DATE OF BIRTH (Month, Day, Year) 08/20/1967		8. BIRTHPLACE (State or Foreign Country) OHIO	
7a. RESIDENCE - CITY, TOWN, OR LOCATION NEW PORT RICHEY	7b. COUNTY PASCO	7c. STATE FL	
WE THE APPLICANTS NAMED IN THIS CERTIFICATE, EACH FOR HIMSELF OR HERSELF, STATE THAT THE INFORMATION PROVIDED ON THIS RECORD IS CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF; THAT NO LEGAL OBJECTION TO THE MARRIAGE NOR THE ISSUANCE OF A LICENSE TO AUTHORIZE THE SAME IS KNOWN TO US AND HEREBY APPLY FOR LICENSE TO MARRY.			
9. SIGNATURE OF GROOM (Sign full name using black ink) <i>[Signature]</i>		10. SUBSCRIBED AND SWORN TO BEFORE ME ON (DATE) 01/23/2008	
11. TITLE OF OFFICIAL DEPUTY CLERK		12. SIGNATURE OF OFFICIAL (Use black ink) <i>[Signature]</i>	
13. SIGNATURE OF BRIDE (Sign full name using black ink) <i>[Signature]</i>		14. SUBSCRIBED AND SWORN TO BEFORE ME ON (DATE) 01/23/2008	
15. TITLE OF OFFICIAL DEPUTY CLERK		16. SIGNATURE OF OFFICIAL (Use black ink) <i>[Signature]</i>	
LICENSE TO MARRY			
AUTHORIZATION AND LICENSE IS HEREBY GIVEN TO ANY PERSON DULY AUTHORIZED BY THE LAWS OF THE STATE OF FLORIDA TO PERFORM A MARRIAGE CEREMONY WITHIN THE STATE OF FLORIDA AND TO SOLEMNIZE THE MARRIAGE OF THE ABOVE NAMED PERSONS. THIS LICENSE MUST BE USED ON OR AFTER THE EFFECTIVE DATE AND ON OR BEFORE THE EXPIRATION DATE IN THE STATE OF FLORIDA IN ORDER TO BE RECORDED AND VALID.			
17. COUNTY ISSUING LICENSE PINELLAS	18. DATE LICENSE ISSUED 01/23/2008	18a. DATE LICENSE EFFECTIVE 01/26/2008	19. EXPIRATION DATE 03/26/2008
20a. SIGNATURE OF COURT CLERK OR JUDGE <i>[Signature]</i>		20b. TITLE CLERK OF CIRCUIT COURT	20c. BY D.C. BJB
CERTIFICATE OF MARRIAGE			
I HEREBY CERTIFY THAT THE ABOVE NAMED GROOM AND BRIDE WERE JOINED BY ME IN MARRIAGE IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA.			
21. DATE OF MARRIAGE (Month, Day, Year) 2-22-08		22. CITY, TOWN, OR LOCATION OF MARRIAGE Clear water	
23a. SIGNATURE OF PERSON PERFORMING CEREMONY (Use black ink) <i>[Signature]</i>		23c. ADDRESS (Of person performing ceremony)	
23b. NAME AND TITLE OF PERSON PERFORMING CEREMONY (Or notary stamp) ATHANASIOS VASSIOS MY COMMISSION # DD 821574 EXPIRES: December 11, 2010 Bonded Thru Notary Public Underwriters		24. SIGNATURE OF WITNESS TO CEREMONY (Use black ink) <i>[Signature]</i>	
SEAL		25. SIGNATURE OF WITNESS TO CEREMONY (Use black ink) <i>[Signature]</i>	

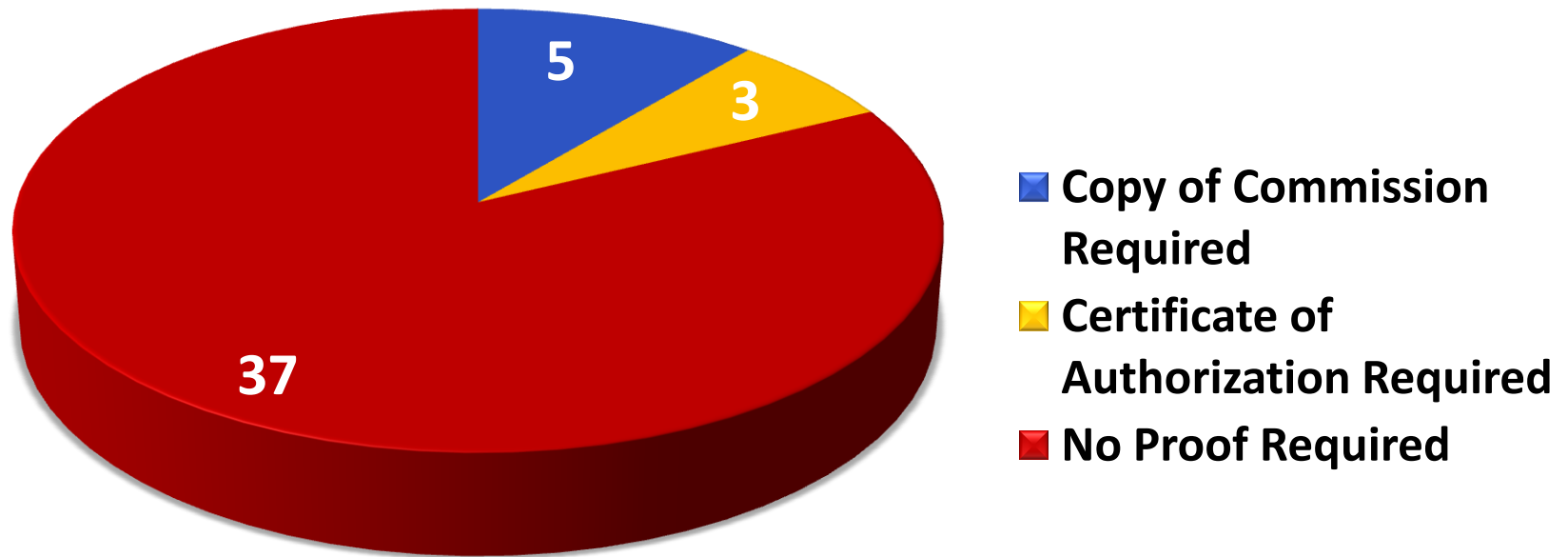


Poll Question

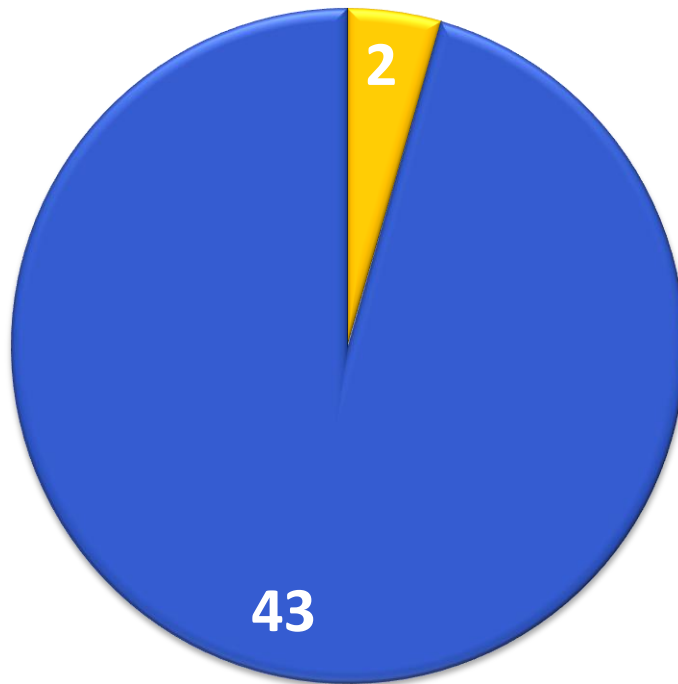
Most states do not require a Notary to show proof of commissioning or appointment to obtain a seal.

- True
- False

Issuing Seals Securely

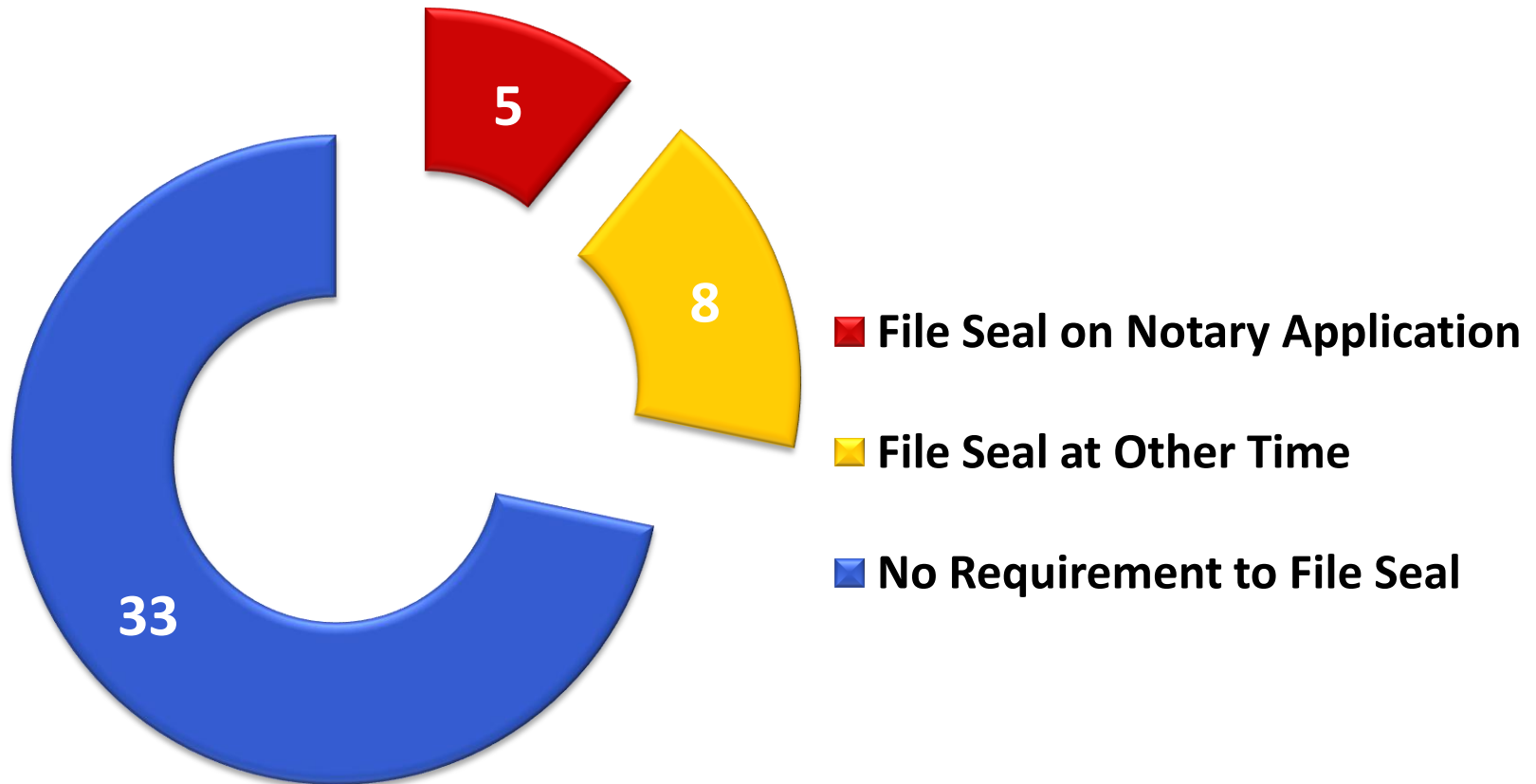


Issuing Seals Securely

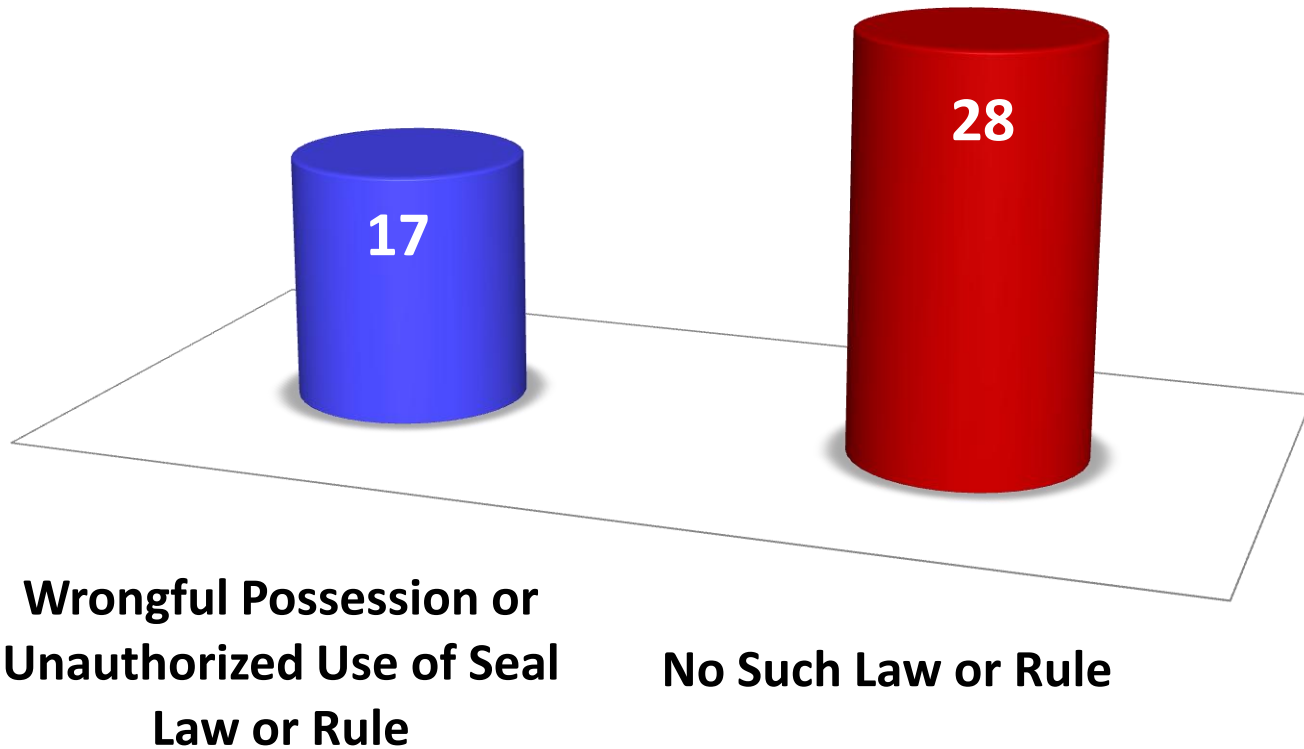


- Must Obtain Seal from Licensed Vendor
- No Such Requirement

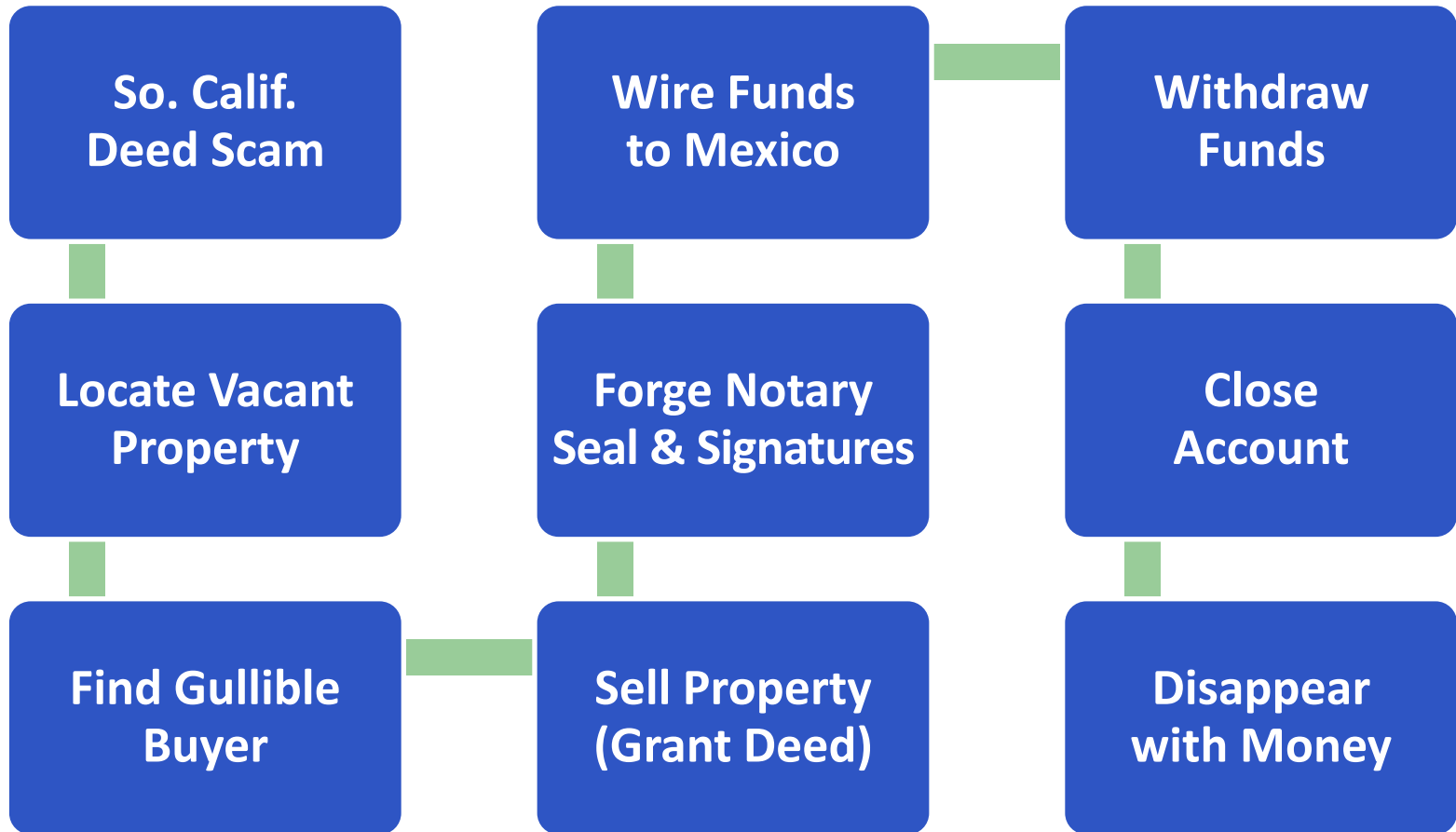
Issuing Seals Securely



Wrongful Use of Seal



Victims of Fraud



STEWART TITLE-Riverside

RECORDING REQUESTED BY:
 STEWART TITLE

AND WHEN RECORDED MAIL TO:
 Ivan Flores and Yvette Flores
 234 Holiday Lane
 Perris, CA 92571

Order No.: 300031
 Escrow No.: BC-13175-LT
 A.P.N.: 330-200-015-4 TRA# 026-199

Mail Tax Statements to same as above



S	R								
M	A	L	465	426	PCOR	NCOR	SMF	NCHG	EXAM
T:							CTY	UNI	026

TRA 026-199

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE
GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)
 DOCUMENTARY TRANSFER TAX IS \$50.6

CITY TRANSFER TAX IS \$0.00

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale.
- City of Menifee AND



FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Dong Suk Lee and Hyo Yul Lee, husband and wife as joint tenants

hereby GRANT(S) to Ivan Flores and Yvette Flores, husband and wife and Waldemar Osvaldo Flores and Josefina Flores, husband and wife, all as joint tenants

the following described real property in the County of Riverside, State of California:

Lot 833 of Romola Farms No. 9, as shown by map on file in Book 14, Page 91 of Maps, Records of Riverside County, California.

AKA: 0 Vacant Land APN# 330-200-015-4, Menifee, CA 92584

Dated: May 6, 2010

STATE OF California } ss.

COUNTY OF San Bernardino

On 05-12-2010 before me

Angelina Serrano Notary Public,
 personally appeared

Dong Suk Lee
Hyo Yul Lee

Dong Suk Lee
Hyo Yul Lee

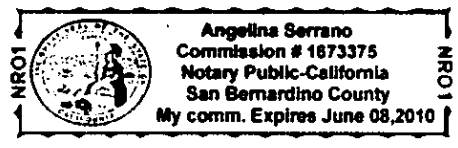
who prved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s), acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Angelina Serrano
 Signature of Notary

Commission Expiration Date: June 08, 2010



(This area for official notarial seal)

300031

COPY

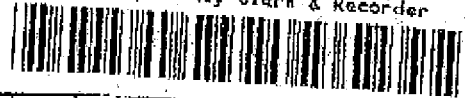
K5

ORANGE COAST TITLE CO.

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:
Irma Delgado
8098 Reche Canyon Rd.
Colton, CA 92324

DOC # 2009-0326495
06/26/2009 08:00A Fee:22.00
Page 1 of 2 Doc T Tax Paid
Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder



S	R	U	PAGE	SIZE	DA	MISC	LONG	RFD	COPY
1			2						
M	A	L	465	426	ACOR	NCOR	SMF	NCHG	EXAM
					T.54		CTY	UM	029

A.P.N.: 372-150-003-5 TRA #: 054-040 Order N

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS: COUNTY \$47.30
computed on full value of property conveyed, or
computed on full value less value of liens or encumbrances remaining at time of sale,
unincorporated area; [City of Murrieta, and

FOR A VALUABLE CONSIDERATION, Receipt of which is hereby acknowledged,
George S. Hanna and Nadida A. Hanna, Husband and Wife as Joint Tenants

herby GRANT(S) to Irma Delgado, a Married Woman as her Sole and Separate Property

the following described property in the ^{area} City of Murrieta, County of Riverside State of California;

Parcel(s) 3 of Parcel Map 13127, in the County of Riverside, State of California, as per plat recorded in Book 66 of
parcel Maps, page 93 in the Office of the County Recorder of said County.
Property Address: Vacant Land APN 372-150-003-5, Murrieta, CA

George S. Hanna
George S. Hanna

NADIDA A. HANNA
Nadida A. Hanna

Document Date: June 18, 2009

STATE OF CALIFORNIA
COUNTY OF San Bernardino

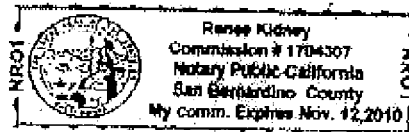
On 06-20-2009 before me, Renee Kidney Notary Public
personally appeared George S. Hanna and Nadida A. Hanna

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) were subscribed to the within instrument and acknowledged to me
that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



Mail Tax Statements to: SAME AS ABOVE or Address Noted Below

EXHIBIT 1

Poll Question

Which of the following is the most valuable takeaway you learned from today's webinar?

- Types of fraud to watch out for
- Metropolitan areas most prone to fraud
- Red flags of fraud to watch out for
- How Notaries are involved in fraud

NNA Contact Information

- Join our [LinkedIn Discussion Group](#) for Signing Agents
- Follow us on [Twitter](#) (@nationalnotary)
- E-mail questions to: banderson@nationalnotary.org
- Previous webinars may be accessed at:
www.nationalnotary.org/webinars/archives
- In about 2 weeks we will send you an e-mail with a link to today's webinar and you can download the presentation