

Real Estate Fraud Update

April 2009- March 2010



Tony Rackauckas
Orange County District Attorney
Elizabeth Henderson
Assistant District Attorney -Major Frauds Unit

\$3.00 Fee collection began 4/13/09

- All fees only used to prosecute real estate fraud
- OCDA established dedicated unit to investigate & prosecute real estate fraud

OCDA Real Estate Fraud Unit



2 Deputy DAs, 1 Paralegal

3 DA Investigators

- Cooperative efforts with federal task force, Attorney General, California State Bar & Department of Real Estate
- Arrests/Convictions publicized to deter others
- Fast track effort to investigate & file cases

Clerk Recorder Proactive Response



- Seamless cost effective fee collection
- Courtesy Notification program -title transfers (catches fraudulent transfers early)
- Excellent cooperation with OCDA
- Proactive referrals on suspicious documents (fast track fraud investigation)
- OC Recorder website fraud referral information

Public response is outstanding

340+ real estate fraud complaints reported



www.orangecountyda.com

DA Hotline Number: (714)347-0850

Local Partnerships

educating consumers and encouraging reporting

- **Orange County Association of Realtors**
- **OC Clerk-Recorder**
- **Industry Professionals**
(escrow, title, appraisers)
- **Fair Housing Groups (OCHOPC)**
- **Pacific Western Realtors Association**
- **Newport Mesa Board of Realtors**
- **Laguna Beach Board of Realtors**



Statistics show success

- 350+ Referrals of suspected real estate fraud
- 29 filed criminal cases
- 14 convictions
- 8 preliminary hearings
- Many cases under investigation/filed with high dollar loss and multiple victims



Recent Highlights



Fraudulent recording

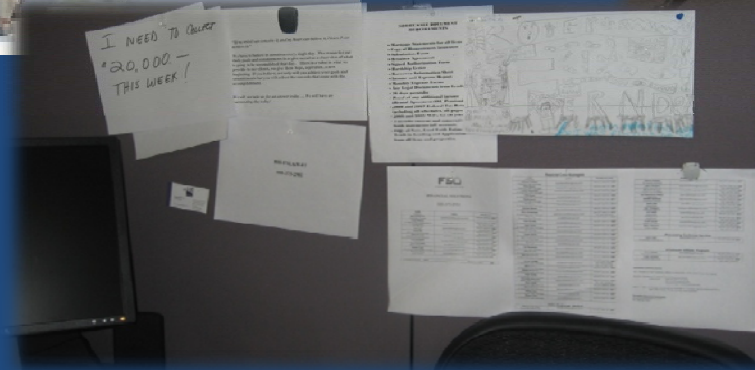
Loan Modification Fraud



Mortgage Fraud

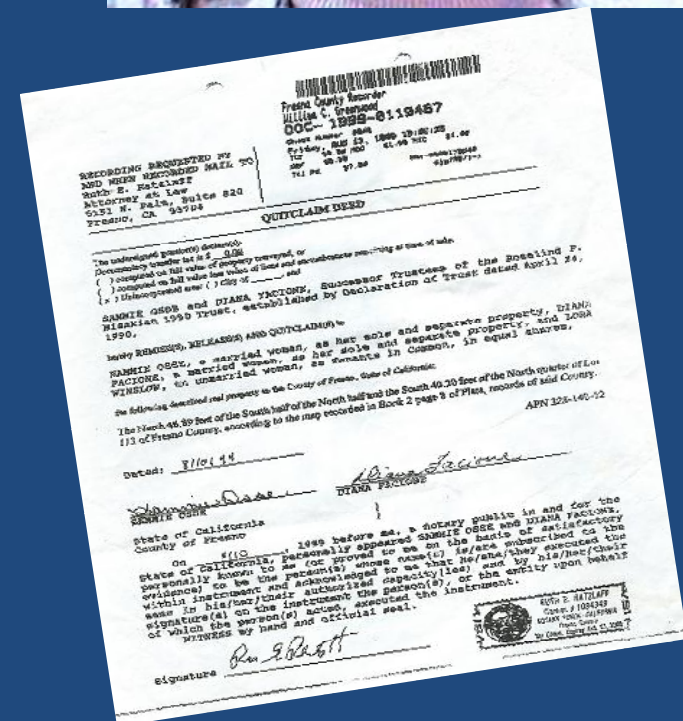
People v Diener, Green, Marrerro (National Home Relief Services) Loan Modification Fraud Mill

400+ victims and \$1.3 million loss



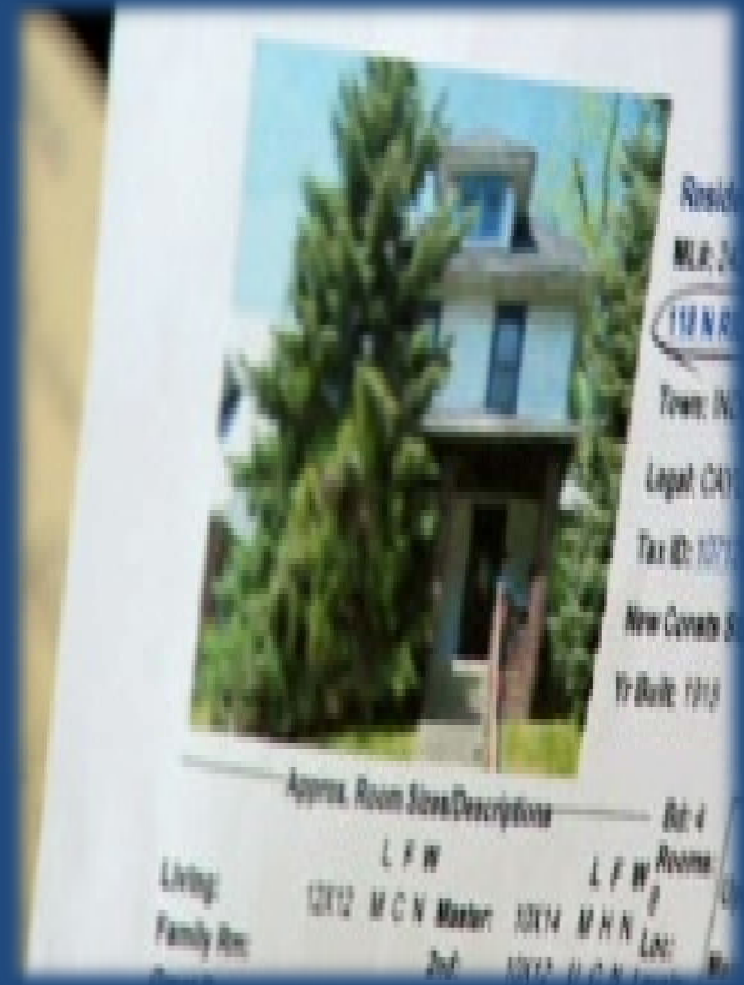
People v. Kathy Chen et al

- More than \$17.5 million in losses
- Accused of 47 fraudulent loans on 35 properties in 3 counties
- Pending in Superior Court after being held to answer at preliminary hearing November 2009



People v. Eaton & Bell

Appraisers charged for scheme involving tampering with appraisals to aid subprime lender



Next Steps

- Aggressive real estate fraud prosecution continues
- Formal Advisory Group meeting Spring 2010
- Training for local law enforcement