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QUEENS DISTRICT ATTORNEY'S OFFICE
RECEIVES \$100,000 FEDERAL GRANT TO COMBAT MORTGAGE FRAUD
Federal Funds Obtained by Congressman Anthony Weiner Will Enhance Office's Efforts

At a ceremony held today at the Kew Gardens office of Queens District Attorney Richard A. Brown, U.S. Congressman Anthony Weiner presented a check representing \$100,000 in federal funds to the District Attorney to enhance his office's efforts in combating mortgage fraud.

District Attorney Brown said, "Mortgage fraud has quite literally stolen the American Dream of owning a home from many New Yorkers, especially here in Queens County where we have seen mortgage fraud and related complaints virtually quadruple – from only 57 in 2005 to more than 200 each year thereafter – and that is only the tip of the iceberg."

District Attorney Brown continued, "Mortgage fraud is an escalating problem that leaves many victims in its wake – not the least of whom are oftentimes elderly homeowners whose properties go from being owned free and clear to being sold out from under them. While we have made some headway in prosecuting these cases, the problem is just too large to be addressed sufficiently with our current resources. I applaud and welcome Congressman Weiner's efforts in obtaining for us this grant funding that will be used exclusively for mortgage fraud and related financial crimes."

Congressman Weiner said, "With a combination of high property values and vulnerable elderly and immigrant populations, Queens is especially at risk for mortgage fraud. We need to do everything we can to stop this growing epidemic, and these funds will help us in this ongoing battle."

New York State ranks sixth nationally in the incidence of mortgage fraud, according to the Mortgage Asset Research Institute. On the local level, Queens County is the home to nearly 2.3 million residents and more than 800,000 housing units – ranging from rentals, cooperative residences, condominiums, privately owned homes and luxury high-rises. Statistically:

- Nearly 62 percent of Queens owner-occupied homes have a mortgage, with a median home value of \$506,000 as compared to \$194,300 nationally;
- monthly owner costs in Queens average \$2239, as compared to the national average of \$1464; and
- Just over 30 percent of Queens households pay at least 35 percent of their income to monthly costs, as compared to 19.5 percent nationally.

All of these factors, combined with the high value of its private residences, and fueled by its proximity to Manhattan and the real estate boom of the past five years, unfortunately, has made Queens an increasing target for organized mortgage fraud and related financial crime activity – with many scams targeting the county's elderly, immigrant, and economically disadvantaged populations. The funds provided by Rep. Weiner's office will go to the District Attorney's Mortgage Fraud Task Force to help combat these scams.

"We are seeing a broad variety of crimes and scams as well – ranging from outright identity theft, to forged documentation and deed transfers, to real estate financing 'rescue' scams, to inflated home appraisals and fraudulent financing applications, to property flipping and collusive sales with

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fictitious ‘straw’ buyers,” said District Attorney Brown. “All of this undermines the stability of communities and legitimate homeowners, buyers, banks and businesses victimized by these crimes.

District Attorney Brown noted that prosecuting these cases are extremely labor- and time-intensive and require a coordinated team effort of investigators, attorneys, paralegals, accountants and analysts to conduct needed interviews, gather documentary evidence, identify potential patterns of activity, and gather and analyze financial and real estate records and filings.

Among the cases prosecuted over the last several years have been:

- A federal employee charged with tampering with government computers to unlawfully create a social security account for an individual in the country illegally as part of a mortgage fraud scheme in which the employee and three other individuals artificially inflated the price of a Queens house by “flipping” the property before stealing the personal identity of a dead Queens woman to fraudulently take out nearly \$500,000 in mortgage loans on the property
- A former Long Island resident sentenced to two to six years under New York State’s Hate Crime Law for stealing hundreds of thousands of dollars from a 93-year-old Queens man suffering from Alzheimer’s disease by fraudulently refinancing a property that he owned in Bayside to steal its equity and by using a “straw buyer” to steal his primary residence in Jamaica, Queens.
- A St. Albans man convicted of stealing the identity of a 68-year-old Jamaica, Queens, man who had been disabled as a result of a stroke and then secretly selling his house out from under him and pocketing the profits.
- A Texas man charged with allegedly using a fraudulent power of attorney to transfer his elderly aunt’s Corona house to himself and taking two mortgages out on the property.
- A Far Rockaway woman charged with allegedly forging the signature of her stepfather in an effort to transfer his house to herself.
- The indictment of five individuals in connection with an approximately \$2 million mortgage fraud scheme in which stolen identities were allegedly used to buy and sell three properties in Queens.
- A Brooklyn man convicted in connection with the fraudulent sale of the Cambria Heights home of a retired New York City correction officer suffering from dementia.
- Two attorneys charged with selling the house out from under a Rosedale woman who was experiencing financial difficulties by engaging in an elaborate real estate foreclosure bailout scheme.
- A Queens Village woman employed as a loan officer convicted of stealing the personal identity of a former client to help another client purchase a \$589,000 house in Brooklyn.

District Attorney Brown said that Queens residents who feel that they may be a victim of or are aware of mortgage fraud should contact his office’s Economic Crimes Bureau at 718-286-6673.

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Note to Editors: Press release e-version posted on www.queensda.org