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Financial Fraud Enforcement Task Force Holds Mortgage Fraud Summit in Los Angeles

LOS ANGELES—Representatives of the Financial Fraud Enforcement Task Force met in Los Angeles today for the latest in a series of Mortgage Fraud Summits. The task force—established by President Barack Obama in November 2009 to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes—is comprised of representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement agencies.

According to the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), the Los Angeles metropolitan area now ranks first in the nation for the number of subjects named in Mortgage Fraud Suspicious Activity Reports filed since 2008 by financial institutions.

Today, the task force members met with community members, legal services providers, real estate industry representatives and law enforcement officials to discuss the problem of mortgage fraud from a national, state and local perspective. In the morning, attendees participated in panels on mortgage fraud trends and the community impact of mortgage fraud in the Los Angeles area. In the afternoon, task force representatives will meet privately with law enforcement officials involved in the investigation of mortgage fraud.

“This Administration has made protecting America’s working families from financial fraud a top priority,” said Assistant Attorney General for the Civil Division Tony West. “The President’s Financial Fraud Enforcement Task Force has brought together the government’s civil and criminal capabilities to uncover mortgage fraud schemes and hold those who commit fraud accountable to the fullest extent of the law.”

“White collar financial crimes strike at the economic heart of the American system. To the extent that we can uncover and prosecute these activities, it’s to everyone’s benefit,” said Deputy Inspector General at the Department of Housing and Urban Development (HUD) Michael P. Stephens. “Accordingly, I am happy to lend the HUD Office of Inspector General’s nationwide expertise to this exceptional group of law enforcement agencies.”

“Today’s Mortgage Fraud Summit in Los Angeles is particularly timely because our region is now a national epicenter of mortgage fraud,” said United States Attorney André Birotte Jr. “In the last month alone, my office has indicted two dozen defendants for their involvement in mortgage and real estate fraud, and has pursued civil remedies in other mortgage fraud cases.”

Steven Martinez, Assistant Director of the FBI's Los Angeles Field Office, said: "As we've

increased our efforts in addressing mortgage fraud, new challenges arise as the nature of the fraud evolves with the economic situation of homeowners. Our multi-agency partnership has successfully targeted many of these complex schemes but we hope to further educate our seasoned investigators and prosecutors through efforts such as today's summit. Southern California is dedicated to curbing the abysmal mortgage fraud problem that has victimized tens of thousands of homeowners, a large number of whom reside in and around Los Angeles."

Summit participants also include Executive Director of the Financial Fraud Enforcement Task Force Robb Adkins and representatives from the Federal Trade Commission, the Treasury Department's Financial Crimes Enforcement Network, the United States Postal Inspection Service, the U.S. Secret Service, the California Department of Justice and local police agencies.

Mortgage fraud is a key focus of the Financial Fraud Enforcement Task Force's efforts. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.