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PRESS RELEASE

**District Attorney Reports
On Real Estate Fraud Unit**
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Today, District Attorney Jerry Benito gave the Shasta County Board of Supervisors the first annual report on the recently formed Real Estate Fraud investigation and prosecution unit. The Real Estate Fraud unit was formed last summer by District Attorney Benito to address real estate fraud issues in Shasta County. The Board of Supervisors approved the program and provided for funding through fees collected when certain real estate documents are recorded with the assessor's office.

Last fiscal year, the fees collected totaled over \$80,000. Ten percent of the money was allocated to the Assessor-Recorder's Office to reimburse them for expenses incurred in collecting the fee. The remainder, about \$80,000 was allocated to the District Attorney's Office to fund an investigator position

Since its inception, approximately 66 calls of complaint have been received by the unit. All are investigated to some conclusion. Some cases eventually lead to a criminal prosecution. However, some cases have been referred to other jurisdictions where the case is joined to other cases against the same suspect who is already under investigation or who is already being prosecuted. Several cases have been referred to the California Department of Real Estate based on ethical violations of realtors. In other cases, the investigator has intervened on behalf of local citizens to recover money paid to loan modification companies contrary to law.

The Real Estate Fraud Unit has also been involved in public outreach through press releases, radio appearances, and presentations to groups. The District Attorney has also met with U.S. Attorney Benjamin Wagner to coordinate efforts related to mortgage fraud in our area.

The most common scams are the Nigerian Rent Scams and Loan Modification scams. The Nigerian Rent Scam involves criminals in Nigeria surfing the internet for homes that are listed for sale by a real estate agent. The Nigerian takes the information and creates an internet listing for the same property in his

name and lists it for rent. The Nigerian claims that s/he is out of the country for work. The Nigerian offers to rent the property and requests a deposit. Of course, once the unsuspecting victim sends the deposit, the victim learns that the property is not owned by the suspect and, of course, is not even for rent.

The Loan Modification schemes are rampant during these tough times. Companies offer to assist troubled homeowners in modifying their home loan. They will often request a fee upfront to perform the service. These services are sometimes called a "Forensic Study". The homeowner may see delays, little work and never see a modification. Of course, they will not see their money paid upfront either. Most of these companies are from out of state.

There are some important points related to this scenario. First, under California law, loan modification companies CANNOT charge an upfront fee. Never pay in advance. Second, many homeowners believe that working with the loan modification company will prevent a foreclosure of their home. Not true. While working with a loan modification company, your home is still at risk of foreclosure. You should remain in close contact with your mortgage lender throughout the process.

The Real Estate Fraud unit is here to assist Shasta County citizens. Should you suspect real estate fraud and wish to make a complaint, call District Attorney Investigator Bob Angulo at 245-6350.

For questions about the unit or the report, contact District Attorney Jerry Benito at 245-6310.