

Florida reverse-mortgage conviction part of larger fraud crackdown

Written by Australian Business

September 20, 2013 /**24-7PressRelease**/ -- In the wake of the housing crisis, significant law enforcement resources have been dedicated to investigating and prosecuting suspected fraud in the mortgage industry. While allegedly unscrupulous company-wide practices by mortgage lenders and processors have gotten the most publicity, there have also been a number of prosecutions involving staff members who are accused of committing fraud schemes on their own.

An illustrative example can be found in the recent conviction of a Florida woman who was accused of committing reverse- [mortgage fraud](#) . Reverse-mortgages are loans that provide income to individuals over age 62 in exchange for all or part of the equity in their homes.

According to an announcement from the U.S. Justice Department, the woman worked as a licensed title agent and mortgage broker. She took out a reverse mortgage on her own home, using her mother's information. However, since her mother did not meet the requirements of the Home Equity Conversion Mortgage program, the woman falsified her application and submitted altered records in order to qualify.

In addition, the woman was found to have enriched herself financially by processing the fraudulent loan. She collected the fees generated by the loan and used the proceeds of the loan to help finance other mortgage deals.

After being convicted, the woman was sentenced to nearly four years in prison, followed by three years of supervised release. She was also ordered to pay more than \$207,000 in restitution.

Defending financial fraud charges

This case is just one example of the federal government's crackdown on financial [fraud](#) . In 2009, the Obama administration formed the Financial Fraud Enforcement Task Force. The FFETF's mission is to partner with state and local law enforcement to aggressively prosecute fraud. In the last three fiscal years alone, the Justice Department has charged nearly 15,000 defendants with financial crimes. Approximately 2,900 of these defendants have been charged with mortgage fraud.

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At its root, financial fraud exists whenever a person conducts unauthorized or illegal practices to obtain money that does not rightfully belong to them. Fraud can be as simple as making false claims on a loan application or as complicated as running a Ponzi scheme or engaging in a money laundering operation.

Financial fraud crimes tend to involve very complicated evidentiary trails that can sometimes span several years. As such, it is important for anyone accused of financial fraud to enlist the help of an experienced criminal defense attorney who can untangle the web of proof the government has attempted to put together.

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