



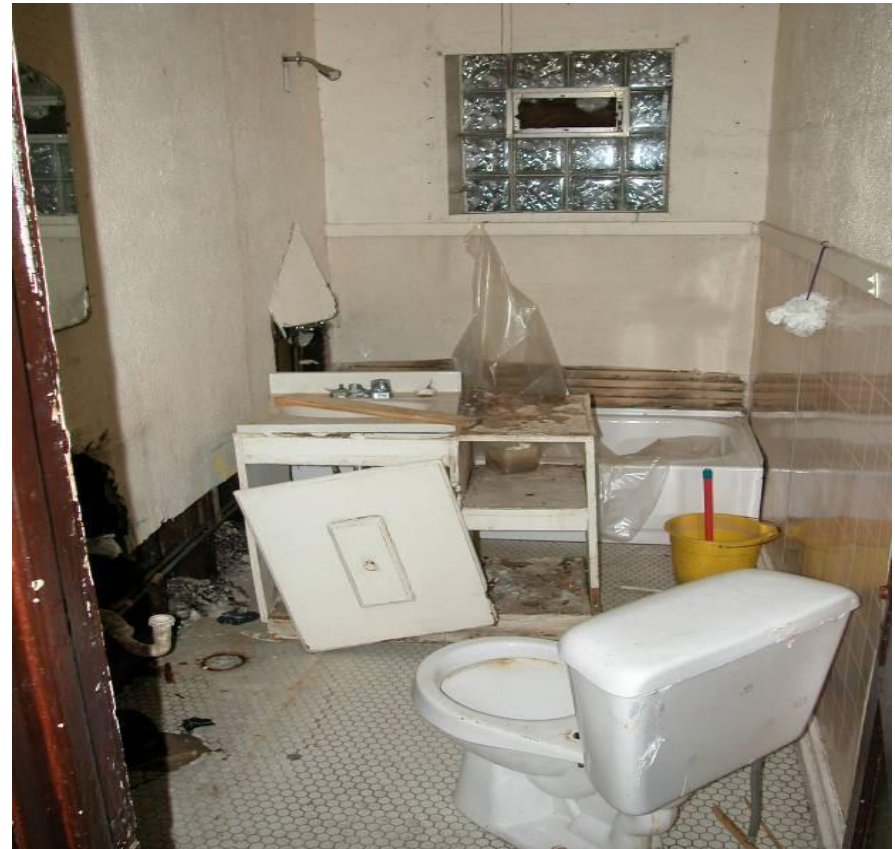
Federal Law Enforcement The Fight Against Fraud

**Edward Geiger, Supervisory Special Agent
Federal Bureau of Investigation**

Mortgage Fraud



Mortgage Fraud



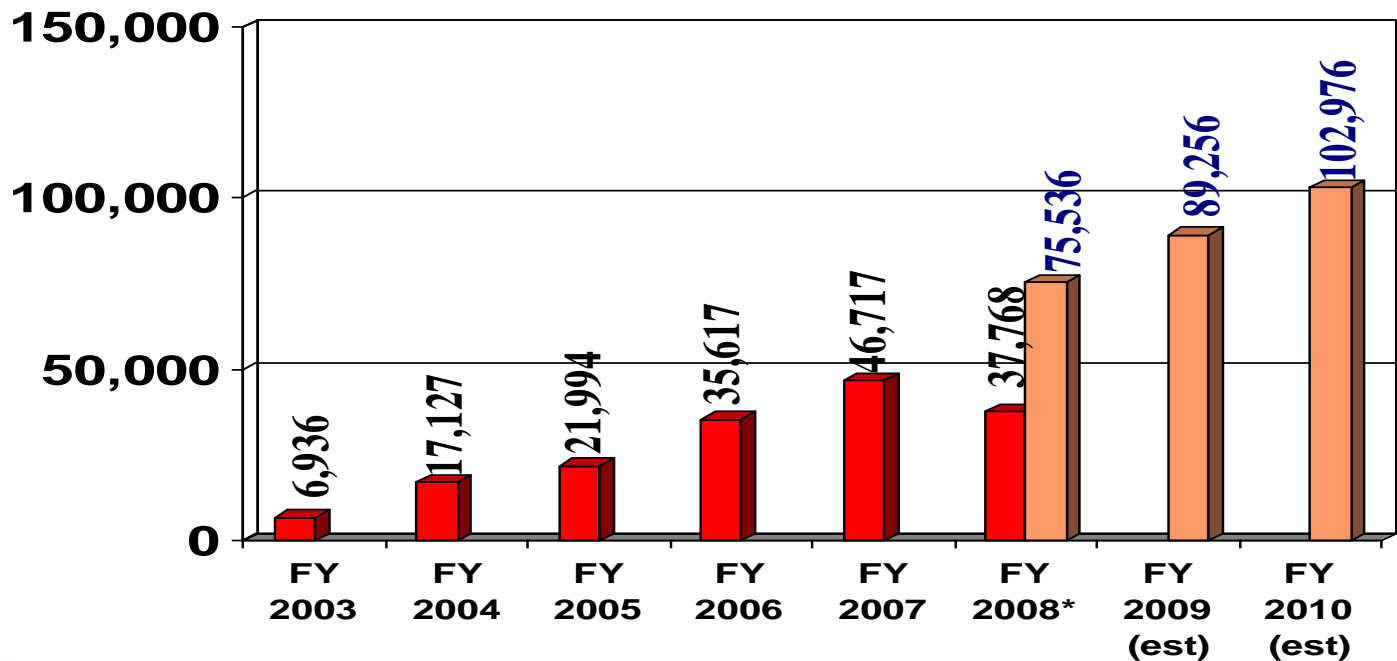
The above photos are from condos that were involved in a mortgage fraud. The appraisal described "recently renovated condominiums" to include Brazilian hardwood, granite countertops, and a value of \$275,000.

INTELLIGENCE ANALYSIS

Directorate of Intelligence – Financial Crimes Intelligence Unit

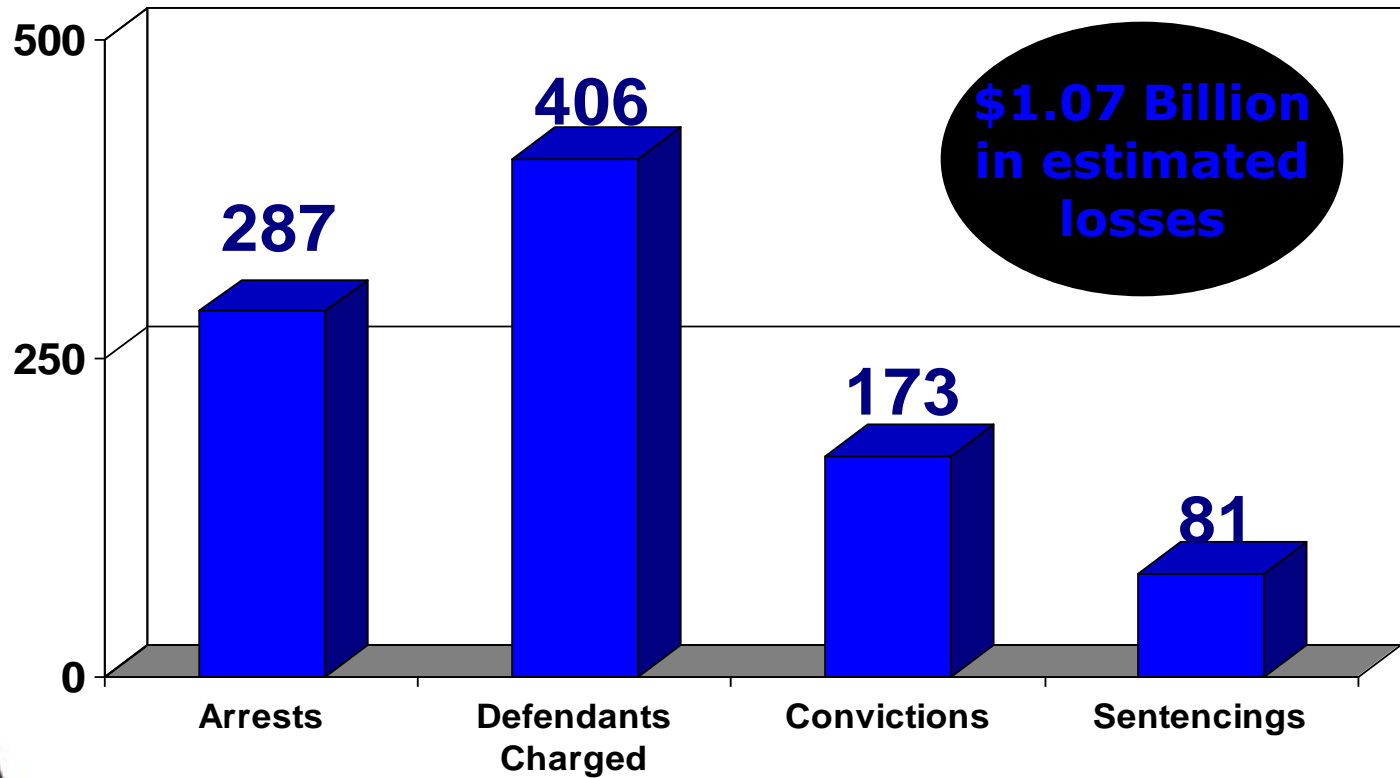
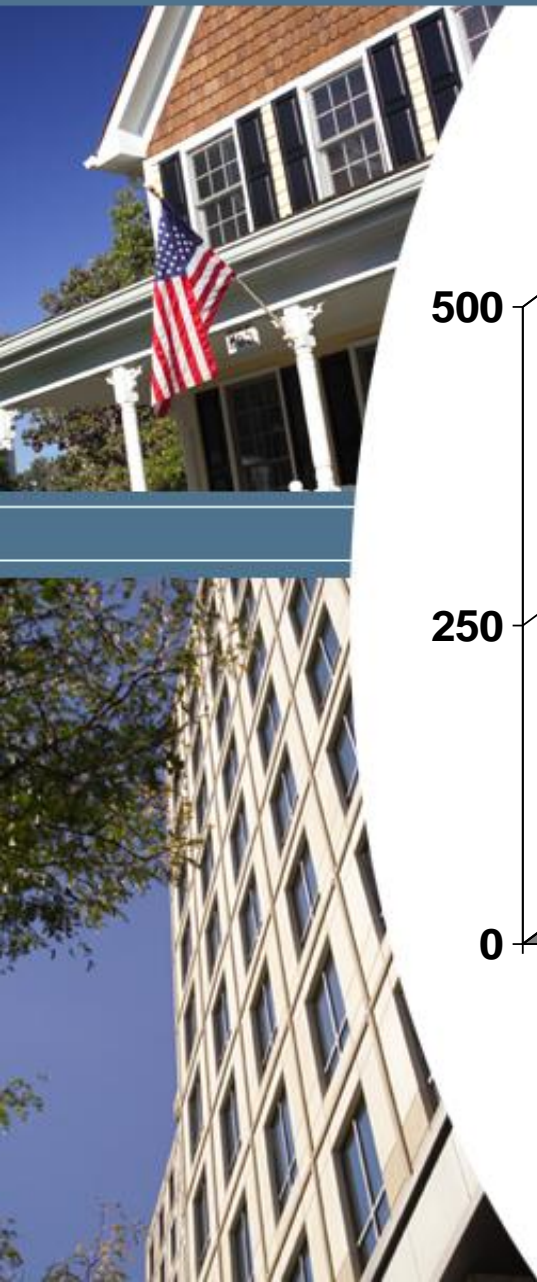


- *Mortgage Fraud analysis based on SARs*
- ** FY 2008 data as of March 31, 2008*



Operation Malicious Mortgage

March 1, 2008 to June 18, 2008



Seized Assets from Malicious Mortgage



Identifying Fraud, Leveraging the Tools for Early Detection

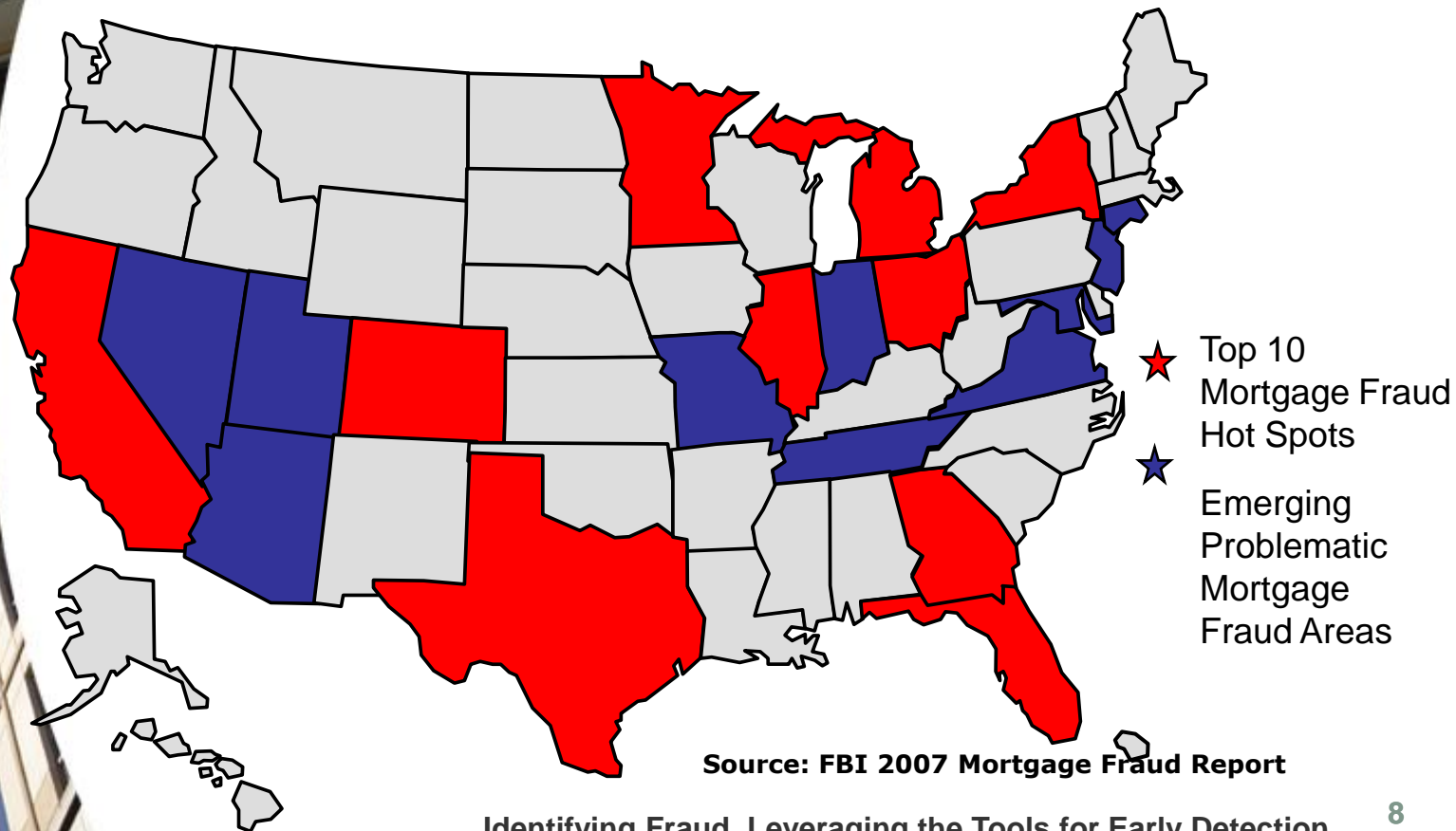
Seized Assets from Malicious Mortgage



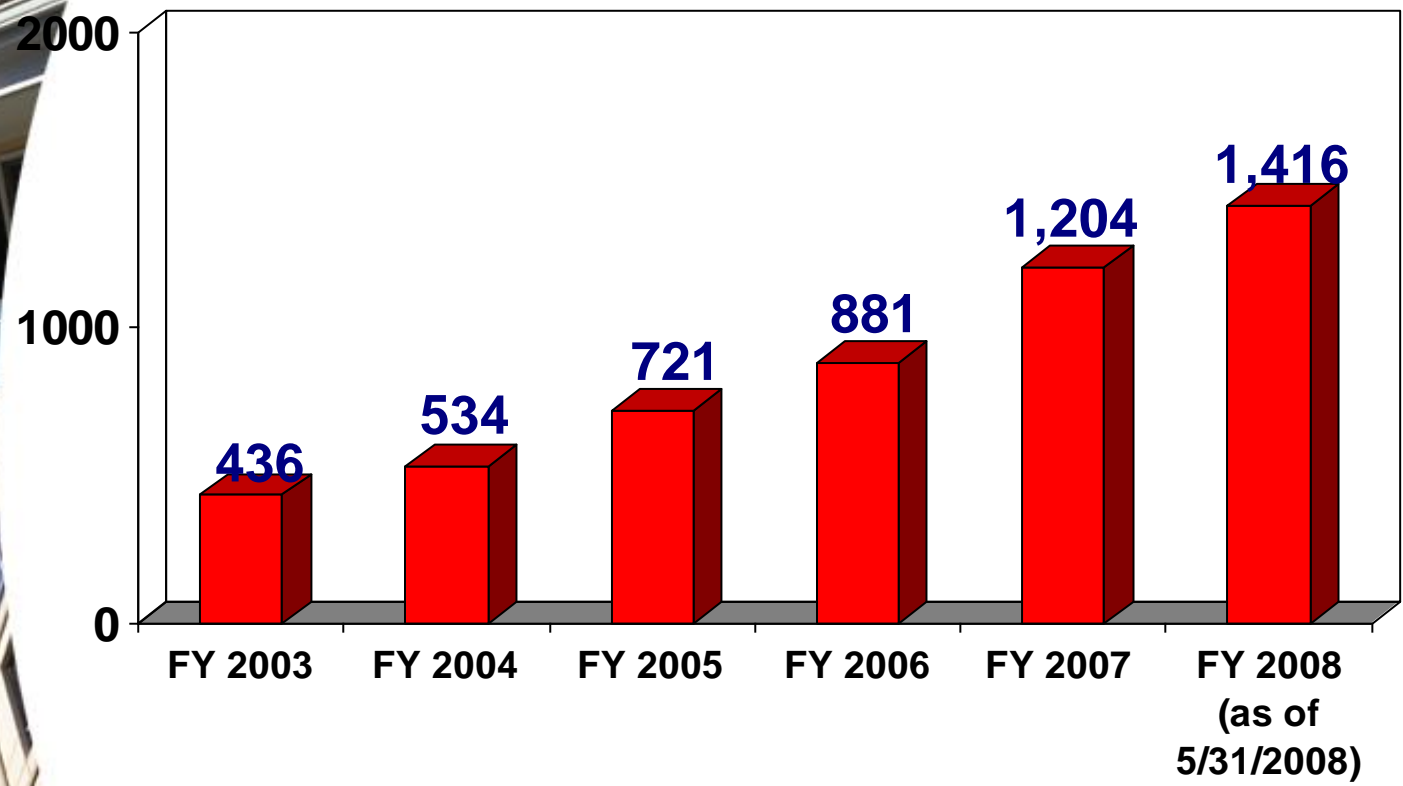
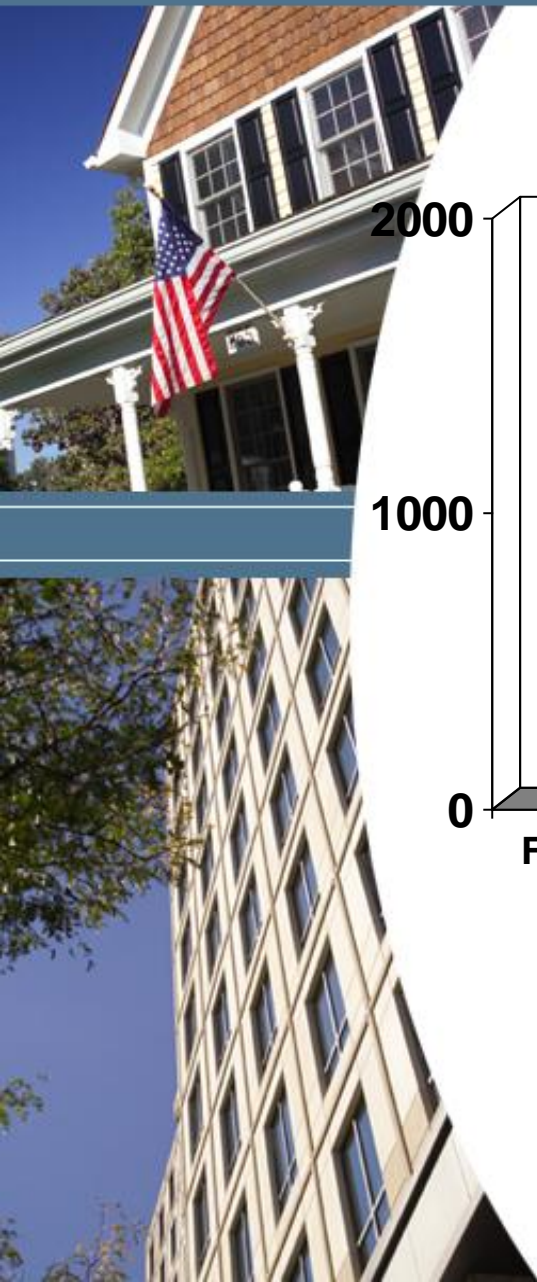
Identifying Fraud, Leveraging the Tools for Early Detection

Where Is Crime Occurring?

14 field offices reside in the top ten mortgage fraud hotspots as identified through intelligence from multiple source indicators.



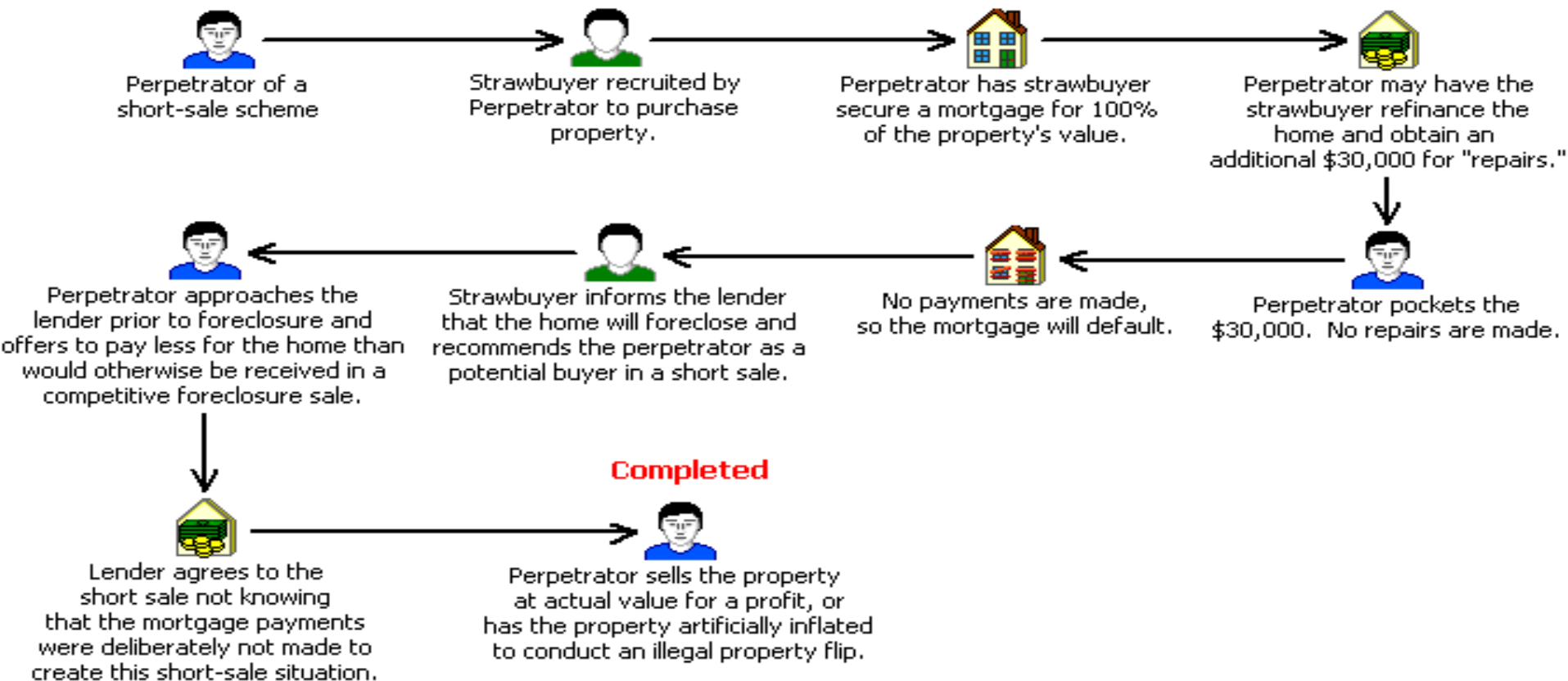
Steady Growth in Pending FBI Mortgage Fraud Cases



■ Cases Pending

Emerging Scheme: Short-Sale Fraud

Initiation



Re-emerging Scheme: Builder-Bailout

Step 1



Builder/Developer has difficulty in selling their inventory, so the value of their homes is inflated.



Step 2



Loan Documents stated an inflated home value of \$240,000

Step 3

Step 5



\$40,000 profit to Builder

Step 4



Lender funds a mortgage loan of \$200,000 believing that \$40,000 was paid to the builder, creating home equity. The builder forgives the \$40,000 down payment. Hence, the lender unknowingly funds 100% of the home's value.

Re-emerging Scheme: Foreclosure Rescue Scams

