



New York's Senator

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FOR IMMEDIATE RELEASE

June 22, 2009

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Schumer, Hynes Announce New Mortgage Fraud And Real Estate Crimes Unit Has Led To Indictment Of 8 Individuals And The Opening Of More Than 80 Cases – Unit Cracking Down On Flood Of Mortgage Fraud Cases Infecting Brooklyn

In March, Schumer Secured \$875k in New Federal Funding for Brooklyn DA's Office to Establish Mortgage Fraud and Real Estate Crimes Unit

Unit Assisted In the Uncovering Scam of Brooklyn Man Accused of Impersonating His Dead Mother

Schumer and Hynes: During the Economic Crisis, We Need All Hands on Deck to Protect NY'ers from Another Wave of Housing Scams

Today, U.S. Senator Charles E. Schumer and Kings County District Attorney Charles J. Hynes announced that the Kings County Mortgage Fraud and Real Estate Crimes Unit has led to the indictment of 8 individuals and the opening of more than 80 cases. One such case involves Thomas Prusik-Parkin, the man accused of impersonating his deceased mother to collect Social Security benefits and rent subsidies. In March, Schumer announced that the Brooklyn DA's office had been awarded \$875,000 for the creation of a Mortgage Fraud and Real Estate Crimes Unit through the 2009 Omnibus Appropriations Act. The new Unit addresses the recent flood of mortgage fraud cases across Brooklyn that is plaguing homeowners in the borough. In the past several years, local politicians, homeowner advocacy groups, attorneys, state agencies, and homeowners have complained of having nowhere to turn to report mortgage and deed fraud. Officials receiving the complaints have also voiced frustration over having no office to report to that specifically investigates mortgage scams. The creation of the District Attorney's Mortgage Fraud and Real Estate Crimes Unit has resolved these issues by employing 10 staffers who focus exclusively on real estate crimes that plague the borough and prosecute scammers for their crimes.

“This Mortgage Fraud and Real Estate Crimes Unit at the Brooklyn DA’s Office has proved to be the perfect tool to prevent scam artists from preying on Brooklyn residents during the ongoing economic and housing crises,” Schumer said. “For years, these criminals have taken advantage of New Yorkers and escaped undetected and unscathed. I am proud to announce that the Mortgage Fraud and Real Estate Crimes Unit has begun to reverse this trend. District Attorney Hynes and his Unit deserve our congratulations for working so hard to make this unit so successful.”

“Factors have created a perfect storm for mortgage fraud and real estate crime,” said District Attorney Hynes. “The pool of potential victims is huge in this densely-populated borough, and the desperation of homeowners facing default and foreclosure has made them easy targets for real estate scammers. The new Mortgage Fraud and Real Estate Crimes Unit in my office has made a full time job of fighting this crime. I’d like to thank Sen. Schumer for making additional resources available for this effort.”

The Mortgage Fraud and Real Estate Crimes Unit assisted in unraveling the scam of a Brooklyn man accused of impersonating his mother to collect thousands of dollars in social security benefits and rent subsidies. Thomas Prusik-Parkin, the man charged with fraud and larceny, first contacted the Brooklyn District Attorney’s office to report that the owner of his mother’s apartment had engaged in fraud. When the Mortgage Fraud and Real Estate Crimes Unit requested a meeting with Prusik-Parkin’s mother to investigate the claim, the prosecutors quickly realized that Prusik-Parkin was in fact impersonating his mother. As a result of this skillful perceptiveness, Prusik-Parkin is now in jail and faces up to 25 years in jail if convicted.

The new Unit has also led to the indictment of a man who posed as an attorney and pretended to have the authority to sell a property. The scammed person paid him \$37,500 as a security deposit to hold the property. Unfortunately, he was not an attorney and had no authority to sell the property. Another case involves a woman who forged a deed, transferred a property to herself and filed the deed. She also forged a Power of Attorney and a signature card and used the documents to steal over \$25,000.

In March, Schumer secured funding for the establishment of a Mortgage Fraud and Real Estate Crimes Unit at the Brooklyn DA’s office through the 2009 Omnibus Appropriations Act. Over the past several years, the Kings County District Attorney’s Office had been flooded with referrals of mortgage and deed fraud cases from local politicians, homeowner advocacy groups, attorneys, state agencies, and individual homeowners. While several investigations and prosecutions were undertaken, much of the increasing work load was referred elsewhere, making the system extremely unorganized and confusing. The Brooklyn DA’s office did not handle many of the cases due to lack of investigative and prosecutorial resources. Victims of mortgage fraud were generally referred to civil court to battle the scams because many groups believe this will allow victims to resolve their individual situations. Unfortunately, not enough headway had been made to combat the huge mortgage scam crisis that was taking over Brooklyn and New York City.

Missing from the DA’s office was a dedicated prosecutorial unit. Increased prosecution of housing frauds is a necessary weapon in the arsenal of government programs to end the crisis currently manifesting itself in the foreclosure wave. Prosecutions can result in jail sentences for the offenders and restitution for the victims, which are currently very rare. The majority of housing fraud cases involve some degree of criminal conduct, such as theft of a home through a forged deed, a foreclosure rescue scam where a victim unwittingly signs over ownership of the house, falsification of borrower assets by a mortgage broker, or falsification of an appraisal report in order to close a loan that the borrower cannot actually afford. But uncovering the evidence of criminality requires investigative resources that are currently not readily available to victims. The Mortgage

Fraud and Real Estate Crimes Unit in the Kings County DA's Office's Rackets Division was needed to address the problem.

After the establishment of the Brooklyn Mortgage Fraud and Real Estate Crimes Unit, Schumer recognized that the housing scam epidemic reached far beyond the borders of Brooklyn and was joined by all five New York City District Attorney's in April to unveil his Fighting Real Estate Fraud Act of 2009 that would create elite mortgage fraud units in District Attorney's offices across the country.

The Fighting Real Estate Fraud Act of 2009 establishes a competitive grant program in the Department of Justice for local District Attorney's offices to fight real estate fraud. Under this bill, real estate fraud includes crimes involving misrepresentations and forgeries to general applications, tax returns, and financial statements, appraisals and valuations, verifications of deposit and employment, escrow and closing documents, and credit reports. The Attorney General is authorized to make grants on a competitive basis through the Bureau of Justice Assistance to DA's offices to develop units solely dedicated to the investigation and prosecution real estate fraud. The bill authorizes \$100 million in grants for FY2010 and each year through FY2013. These grants will be used for hiring specialized staff to offices in need of specialized resources to combat scams.

Schumer added, "The recent foreclosure and refinancing crisis, following a sharp increase in home values created a perfect storm for these housing scammers to swoop in and fleece homeowners. Thankfully, we now have the Mortgage Fraud and Real Estate Crimes Unit so these criminals will be stopped."

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