

Property Fraud Task Force, Wayne County, Michigan

Name of submitter	Christine McLenon
Title of submitter	Chief Deputy Register of Deeds
Office of submitter	Bernard J. Youngblood, Wayne County Register of Deeds
Street Address	400 Monroe, 7 th Floor
City State Zip Code	Detroit, Michigan 48226
Phone number of submitter	(313) 224-5149
Email address of submitter	cmclenon@co.wayne.mi.us
Person who would accept the award in Kansas City July 11-13, 2008	Christine McLenon
Phone number for award recipient	(313) 224-5855
Email address for award recipient	byounbl@co.wayne.mi.us

1) Title of Best Practice – The Wayne County Michigan Property Fraud Task Force

2) Background/History/Problem

The office of the Wayne County Register of Deeds serves as the depository and custodian of all land related documents submitted for recording, which amount to over 50 million. Wayne County contains close to one million parcels of land, and consists of 43 cities or townships, the largest of which is Detroit. During the past five years, this office has seen a marked increase in the number of citizens coming into the office looking for help because their property was fraudulently taken from them. Alleged fraudulent activity was reported on an almost daily basis. Our only involvement was to direct them to their local police department, the prosecutor’s office or consult an attorney. Almost every time that homeowner would come back to us hopeless and dejected because their local law enforcement department may or may not make out a report, always explaining that this “white collar” crime was difficult to investigate because the department’s financial resources were limited and no one was trained in this type of investigation. Mortgage and document fraud is a complicated and specialized crime that often time traditional law enforcement agencies lack resources to pursue. The most vulnerable of citizens of Wayne County, the elderly, foreign born, and handicapped, were being victimized and their most valuable possession that they worked all of their life for was being taken away from them as they were being threatened and strong-armed into vacating their home.

Until the creation of the fraud unit, criminals used the land records information for illegal activity such as forging documents, uttering and publishing, and obtaining property under false pretenses. Many times the perpetrator was a son or daughter of their aged parent and would forge the parent’s signatures even though they had died years prior to the document being drafted.

One incident involved a Register of Deeds’ employee who worked in the back office. A deed was brought in for recording that had her name signed as the grantor. Upon review of the document for recordability, it was rejected because of a deficiency in the recording requirements. Later, a casual conversation with the employee revealed that she was not selling her home and did not sign any conveyance papers to that effect. When the customer returned with the corrected document, he was stalled while authorities were called in for the arrest.

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Because of the volume of complaints and increased activity from word-of-mouth success and media reporting, the unit has had to expand in manpower, technical sophistication and location since its inception in 2005.

3) Description of the Solution/Best Practice

Collaborating with the Wayne County Sheriff, Warren Evans and the Wayne County Prosecutor, Kym Worthy, the Register of Deeds, Bernard Youngblood developed the fraud unit in October 2005. Subsequently, a three-year renewal of a Memo of Understanding between the three elected officials was signed then approved by the County Commissioners and authorized by the Chief Elected Official, Robert Ficano. The unit was originally comprised of two sheriff deputies, one prosecutor and one Deeds' staff member. Funding and office space was and has been provided in total by the Register of Deeds. Currently, the fraud task force has doubled its size in manpower and office space. All members of the team have been trained in document research and format and now have become specialized in title work and document investigation.

Once a complaint has been received, a file is created then the case is reviewed for legitimacy. If fraudulent activity is suspected, it is given to the sheriff deputies for a more thorough investigation. Involvement of the Prosecutor can happen at any time depending upon the alleged crime and direction the prosecution will take. The fraud unit works cooperatively with the Detroit Police Department, Michigan State Police, Internal Revenue Service and Federal Bureau of Investigation on matters that are referred to their agencies after the fraud unit determines that a complaint rightfully belongs to a different jurisdiction. The arrangement is reciprocal in nature.

A property fraud "HOTLINE" has been established for homeowners who suspect that their property may be at the heart of possible fraudulent activity. The number dedicated to receive calls on a 24/7 basis is (313) 224-5869.

4) Objectives of the Solution/Best Practice

The Wayne County Property Fraud Task Unit, the first in the nation, addresses the fraud issues relating to land title and property fraud. Created cooperatively with three county departments, the Register of Deeds, Prosecuting Attorney and Sheriff, the fraud unit investigates citizen complaints referred to it by all city, township, federal and state law enforcement agencies within Wayne County, as well as the individual homeowner who walks into the office to file a complaint regarding an alleged property fraud. Each complaint is investigated first by a member of the team from the Register of Deeds' office. If it is determined to have merit, it is then handed over to the sheriff deputies for their review. While evaluating the alleged fraudulent land transaction, a prosecuting attorney is included in those cases that are evolving into criminal prosecution. These "fraud fighters" direct 100% of their time toward investigating mortgage and deed fraud within Wayne County, which is unique from traditional law enforcement efforts.

5) Benefits of the Solution/Best Practice

Because of the initiative and creative nature of formulating this unit and because of the cooperative efforts between the Wayne County Register of Deeds, Prosecutor and Sheriff offices to staff and support this unit for the betterment of its citizens, properties taken illegally have been returned to their rightful owners. Never before has there been such a concentrated effort to protect and assist property owners faced with the illegal and fraudulent compromising of their property ownership. The unit's success in investigation, prosecution and conviction have provided the residents of Wayne County with an agency designed and dedicated exclusively for the protection and rights of land ownership where in the past, one did not exist.

6) Use of Technology

All available technology resources have been provided to the fraud unit. The initial investigation is done in the state-of-the-art land records system installed by the Register of Deeds, which became fully functional in February 2007. Property tax records from the treasurer's office are available as a resource along with outside investigative programs for personal, financial, and criminal background information. All equipment used in the investigative process has been newly acquired and geared for the fraud unit's activities.

7) The Cost of the Program

The cost of the fraud unit initiative is borne exclusively by the Register of Deeds. The current personnel expense of the four sheriff deputies and two prosecutors, as well as the Register of Deeds' staff comprises the largest portion of the unit's budget. At its inception in 2005, the budgeted amount for personnel and miscellaneous equipment was \$476,951. Not knowing how the unit would evolve and what its needs would be, the equipment expense was minimal with office expenses being held in abeyance as office equipment was moved from the general Register of Deeds' production area to the task force's work area. Because of the overwhelming response and need for the unit's services, it was recognized within the first year of its existence that the personnel in the unit, as well as the tools they needed to perform their investigations and prosecutions, must be increased to meet the demand. Additional staffing, vehicles, vehicle maintenance, enhanced office equipment, investigative software and contractual investigative programs, supplies and materials used for prosecution, and the need for a larger space to locate the team have all contributed to a significant increase in the amount needed to operate the fraud unit. The subsequent three-year Memo Of Understanding developed between Wayne County's Register of Deeds, Prosecutor and Sheriff guaranteed the continuity of the program and allowed for budgeting. The 2006-2007-budget amount was \$712,500; with \$724,800 being budgeted for 2007-2008 and \$734,800 budgeted for 2008-2009.

8) The Results/Success of the Program

Since 2005 to January 31, 2008 a total of 423 files have been opened. Of these, 230 files have developed into fraud unit files, 26 into mortgage fraud files and 24 have been sent to other law enforcement agencies. Many times when a complaint taken for suspected land fraud is investigated and reviewed, it is determined with proper documentation that an individual may have had property tax issues or legal issues that would give them the

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appearance of fraud, but are in fact legitimate conveyances or activity. The fraud task force unit continues to have an average of 5 to 10 calls, walk-ins, emails and faxes per day which include tax sales on foreclosed property, repeat callers, renters or lessees seeking information on true ownership, responses or questions to fraud information sent out in a mailing, or seen in the newspapers or television or other media coverage and Web sites.

Because of the quality of the investigative and prosecuting team, 54 arrest warrants have been issued with 11 warrants still outstanding. The fraud task force has had 27 arrests or convictions, with a 100% conviction rate. Guilty verdicts and sentencing have resulted in criminals being sent to prison for terms of 3 to 20 years. One case may involve many homes. Prosecution of one individual returned 45 homes back to their rightful owners. Still under investigation are 407 homes with an estimated value of \$23 million dollars. As a direct result of the task force, 139 homes with an estimated value of \$7.8 million dollars have been returned to the rightful homeowner. Seventy-eight other cases have been closed because of dropped complaints, civil matters, insufficient evidence, non-criminal or non-jurisdictional status, voluntary mutual settlement, statute of limitations, deportation of suspects, and cases sent to other agencies. The unit's success sends a message to property scammers – Wayne County's Property Fraud Task Force is coming after them and they are going to jail.

Being the first property fraud task force in the nation and maintaining a 100% conviction rate, the unit has been gaining national recognition. Other counties from other states have toured the unit and reviewed the operation in order to take back with them the knowledge and information they need to build a successful program and give back to their communities a place for its residents and property owners to go to when property fraud is suspected.