



## TOO embarrassed

By Lisa A. Tyler  
*National Escrow Administrator*

In our industry, and certainly at our Company, we rely on our colleagues to close and insure every transaction. Sales representatives rely on settlement agents, who rely on title officers and so on, even down to the mobile signing agent. Without each team member the dream of homeownership and the closing of multimillion dollar transactions would not happen. In this edition, read "IT takes a village" to see how teamwork halted a forgery and saved the Company from a potential claim.

One of our offices conducted a closing on February 9, 2017, where a property was purchased by an unmarried, 61-year-old woman. Unbeknownst to us, she flipped and sold the property for a profit less than a month later. The funds to complete the purchase of the property came from a third party – a family trust. The trustee of the

trust executed third-party deposit instructions. However, we later learned the home buyer scammed a 98-year-old man out of his life savings. Read "SHADY lady" to discover how she tricked him into giving his bank account information and his truck.

From time-to-time, settlement agents are faced with closing a transaction involving a principal who is incarcerated. Usually the principal is selling their property in order to pay for their legal defense or, in some cases, mortgaging their property to make bail. Whatever the reason, this type of transaction presents challenges to having the closing documents properly signed and notarized. Discover how to have closing documents signed from prison by reading "SIGNINGS conducted in prison for an inmate."

### IN THIS ISSUE



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Lisa A. Tyler  
National Escrow Administrator



## *IT takes a village*

**On August 30, 2018, Russell Anguiano, Escrow Officer from Fidelity National Title's Santa Rosa, California office, opened a cash-out loan transaction in the amount of \$500,000 with a hard money, private party lender.**

The lender was located in Santa Rosa, the borrower was located in Vallejo, California and the property securing the loan was located in Redwood City, California. The borrower, a certified public accountant, ran his business from the subject property in Redwood City, which was worth approximately \$1.7 million. The title report revealed the borrower and his wife owned the property free and clear of any liens.

On Thursday, September 13, 2018, Russell received loan instructions indicating the loan would be for \$500,000 at 9% interest and a \$15,000 loan origination fee would be charged. Russell worked up the file for the closing and contacted the borrower for the signing appointment. The borrower elected to sign with a mobile signing agent.

Russell scheduled the signing with a Bancserv mobile signing agent, Geraldine "GiGi" Sagmit. GiGi called the number Russell provided to confirm the appointment, but the borrower did not answer. The phone was answered by a gentleman she believed was the representative of the borrower and said they would meet up with her at Starbucks®.

GiGi met the borrower and his wife for the signing appointment. The wife was conveying her

ownership interest to her husband and then he intended to be the sole borrower on the loan.

GiGi asked for their identification and immediately noticed their driver's licenses did not contain the signers' middle initials. The closing documents were drawn with their middle initials reflected on their respective documents. She asked the signers for additional identification containing their full names and middle initials, but neither signer could produce identification exactly as their names appeared on the documents.

GiGi contacted Russell to let him know the signing would have to be postponed until the signers could obtain identification containing their full names with middle initials. She concluded the signing appointment and made notes in the Bancserv system, stating the signing appointment was unusual since it was orchestrated by a third-party and it just did not feel right.

GiGi then returned the documents to Russell. Russell informed the lender the signing appointment would be delayed. The lender was anxious and wanted to schedule another signing appointment as soon as possible.

Knowing GiGi felt uneasy about the signing, Russell reviewed copies of the front and back of the driver's licenses for the husband and wife, that the lender had provided at the time he opened the order. Russell looked at the signatures on the licenses and compared them to signatures on previously recorded documents in the chain of title.

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## [IT takes a village - continued]

The husband's signature looked authentic but the wife's did not match at all. Russell sent the identification and previously recorded documents to the Title Officer, Andrew Benavides. Andrew looked over the identification and noticed the wife's signature did not match signatures on previously recorded documents. Andrew also noticed the sex on the wife's license indicated she is a "male" and the date of birth was incorrect. The real wife was born on April 13th but the driver's license reflected a birth date of April 15th.

Russell contacted the National Escrow Administrator to discuss his team's findings:

- » Non-owner occupied property free and clear of encumbrances, so why did the owner need a hard money loan with a \$15,000 loan origination fee?
- » Property is worth \$1.7 million, so why would the owner need a loan at 9% interest?
- » A stranger arranged the signing, who was neither the lender nor the borrower.
- » The signers could not produce sufficient identification to enable their signatures to be notarized.
- » The wife's identification was clearly a fake and she is conveying her interest in the property. Usually a spouse only conveys their interest if it is required by the funding lender. The lender did not make the requirement.

The answer from escrow administration was clear: Resign as escrow holder and refuse to issue any policy of title insurance. Russell notified the lender the Company would not be able to close the loan.

## **SHADY** lady

**On February 9, 2017, one of our Las Vegas offices closed the purchase of a property. Twelve days later, the bank that wired the funds to close tried to recall the wire for some unknown reason. The receiving bank notified our escrow branch of the attempted recall. The escrow branch called the sending bank to tell them the transaction had already closed and the funds had been disbursed.**

The bank teller the escrow branch representative spoke to indicated the account holder was an elderly gentleman who came in to authorize the wire and was with a lady and that appeared to be his girlfriend. She said he executed the wire authorization.

Fast forward to July 26, 2018 (more than a year after the closing), our offices received a heart wrenching letter from the third-party depositor that read, in part, as follows:

*To whom this may concern:*

*I am a World War II veteran. I was born December 16, 1920.*

*I would like to report and make notice to something that happened to me.*

At the same time, the stranger who had arranged the signing called GiGi, claiming to be from a title company in Los Angeles. She recognized his voice immediately. He wanted to confirm the only problem she had with notarizing the documents was the missing middle initials from the identification and there was nothing else wrong. Although she knew the other facts about the transaction, she confirmed the identification presented was not sufficient and hung up.

GiGi does not plan on ever meeting with the husband and wife again. Russell resigned as the settlement agent and Andrew cancelled the title file. Thank you to GiGi, Russell and Andrew, for thwarting a forgery and for saving the Company from a potential claim! As tokens of appreciation, the Company has rewarded them each \$500.

### MORAL OF THE STORY

**Had GiGi accepted the identification and notarized the documents, Russell likely would not have examined the signatures on previously recorded documents to compare them to the signatures on the driver's licenses, and Andrew would not have examined the driver's licenses for inaccuracies.**

**Together, all three prevented the real wife from losing her interest in the subject property and prevented the Company from insuring a bad loan. It truly does take a village to successfully close and insure transactions and it takes a village to protect the Company and the public we serve, from fraud and forgery.**



*There is a lady I met at Costco® last year. Shady Lady is her name. She approached me and we started a friendship. My wife had just passed. She told me that she was a nurse/caretaker. So, I hired her thinking she would cook, clean and help with the necessities of my house. Well the rest of the story is a total nightmare.*

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### [SHADY lady - continued]

*I was too embarrassed to tell my son and his wife, or a niece that lives out of state, but I did break down and told a neighbor that I've known for over ten years.*

*Shady Lady no longer lives in Las Vegas. All the charges that she has for fraud are showing as a Georgia resident. She has taken knowledge all my accounts; investment funds; pass codes and social security number.*

*These are the following acts she has committed against me:*

- 1. Wrote a check for \$3,000 for the earnest money deposit on the house.*
- 2. Transferred \$341,319.86 from my family money market account. She had the funds wired out and transferred to a broker where she purchased a house in Las Vegas. Then she flipped it by selling it in less than a month and then ran off to Georgia with the proceeds.*
- 3. My 2006 Dodge Ram® truck that was paid in full with 14,000 miles she went into my file cabinet where I kept the registration papers and my pink slip and took over my trust. She had her son come by the house one day with the keys and just took my truck. He lives in San Diego. I was too shocked and frightened to stop him. As of today, I have registered a report with the police department for the stolen truck.*
- 4. She opened a Citibank® Costco credit card in my name and charges were continuing until I notified Citibank that I did not open the account nor have I made the purchases resulting in over \$7,000 in charges.*

*5. Shady Lady opened a Home Depot® Project loan under my name in Georgia. She had some work done on her house and charged it to the card in my name. I am in the process of contacting Home Depot to let them know the account was not opened by me.*

*6. Shady Lady used my name to get internet service through Cox® Communications.*

*7. Shady Lady used my name to get cellular service, a new iPad® and iPhone® through AT&T®.*

He sent copies of the same letter to the Attorney General, all three credit bureaus and the Social Security Administration. We received a copy of the letter as well, because we closed on the home purchase mentioned in the letter.

The escrow officer reviewed the file and found third-party deposit instructions executed by the depositor. She reached out to him after receiving the letter to see if he was making a claim. He was not. He wanted everyone involved to know Shady Lady was a crook so they would not continue to do business with her. He told our offices there was an ongoing law enforcement investigation of her criminal acts.

#### MORAL OF THE STORY

**When reading his letter it reminded me so much of my dear Grandfather who would have easily fallen for the same scam. If you have elderly relatives or neighbors make them aware of the possibility of being scammed. Stay-in-touch with them in case they are ever duped into giving their life savings over to a complete stranger.**

## **SIGNINGS** conducted in prison for an inmate

**Settlement agents who are commissioned notaries face several hurdles when trying to perform prison signings. Thus, prison notaries are in the best position to perform these signings.**

First, the settlement agent cannot show up to the prison and expect to meet with the prisoner. There are stringent rules on when prisoners are allowed to meet with the outsiders.

Second, documents, pens, journals and thumbprints are not allowed to be exchanged between the notary and the prisoner, except under strict supervision.

Third, the prisoner would have had to surrender their identification, so there is no way for the settlement agent to positively identify the signer. Only a prison-employed notary would have the ability to positively identify the prisoner as the principal.

A closing involving a principal who is currently incarcerated is challenging in that the inmate is not going to be released from custody in order to attend the closing. Instead, a prison notary has to be contacted to receive the documents electronically, print them

and schedule a time to meet with the inmate.

Every prison has an employee who is a commissioned notary. The notary is an employee of the federal, state or county prison, and can be relied upon to properly identify the signer through the prison issued identification and record system. The notary conducts the signing and returns the documents to the settlement agent, since the prisoner has no means of returning the documents except through regular mail.

