



By Lisa A. Tyler
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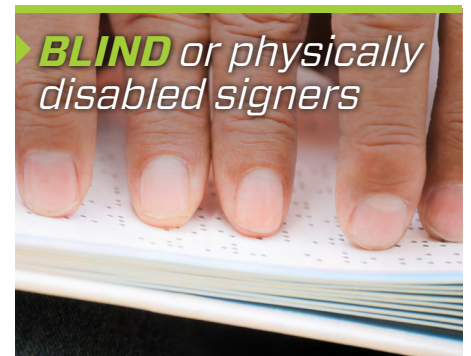
A third article in a series written by guest author and speaker Jerome Mayne, convicted mortgage fraud felon, begins, “At 9:00 a.m. on September 30, 1999, my seventy-year-old mother walked into the federal criminal courthouse in downtown St. Paul, Minnesota. After nine months of grueling pre-trial, articles in the newspapers and calls from friends, it was judgment day. The crime: conspiracy to commit mail fraud, wire fraud and money laundering.” Read “CRIME: who does the time?” to realize it is not just the criminal who is punished for their bad choices, but everyone around them as well.

Michelle Allen, closer for Noble Title & Trust in Naples, Florida, closed a sale for an absentee seller. The property was owned by a trust. The trustee for the trust lived in Colorado but came to Naples a few days

prior to closing, so Michelle met with her to pre-sign all the closing documents. The trustee did not have a bank account for the trust but promised to open one as soon as she returned home. Read “BE ever vigilant” for more details.

Commissioned notaries who are acknowledging the signature of someone who is blind must be sure they consult with their state regulator for the specific instructions on the proper way to notarize the documents. In some states, such as Florida, Illinois and Indiana, the notary public acknowledging the document is legally required to read the entire document to a blind signer. In other states, one or two witnesses must be present at the signing. Read “BLIND or physically disabled signers” for this month’s notary know-how tip.

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volume 12 issue 8
August 2017

Publisher
Fidelity National Financial

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We all stood when federal Judge Richard H. Kyle walked in wearing a long, flowing black robe. He took command of the bench. A sibling and a few other close friends were there to support our family. I was holding my emotions together pretty well until I saw the tears in my mother's eyes.

In the preceding months, our family had spent a lot of time telling friends, relatives and the other good folks in our little town, our side of the story. Basically, that the "alleged" crime wasn't really that bad. There certainly wasn't any malicious intent. We told people that once an explanation was given to the proper authorities, they would probably call the whole thing off.

We knew that no one in our family could ever be involved in a white-collar conspiracy. My mother raised our family, six boys and one girl, with strong ethical and moral values, in our small mid-Western, Catholic farming community in east central Minnesota. In our town, everybody knew everybody else — and knew their business.

News and opinion stories spread by word of mouth, via impromptu gossip congregations that popped up in front of the post office and inside the bakery. I know how these juries reach their verdicts. The locals would yammer away about how they thought they knew our family but... "I guess not!"

Undoubtedly, they discussed other unsolved crimes in our town and ruled that we were the perpetrators. They'd reached their verdict; one of those Mayne boys must have set that fire in '75. Gather the pitchforks from Hank's Hardware store — make some torches. The Mayne family farm must be searched for Mrs. Svendsen's purse that went missing in '71.

I'll never forget the telephone conversation I had with my mother on the day of the indictment. We talked about the handcuffs, the fingerprinting and the mug shot. We talked about the pre-indictment hour spent in a little jail cell at FBI headquarters. Even over the phone, I could tell my mother was physically shuddering.

Now, in the courtroom, all was quiet. Judge Kyle was flanked by his bailiff. Starboard and leeward, stood the Minnesota state flag and our nation's flag. From where I sat, Judge Kyle's head eclipsed the large, round brass United States seal of justice that was part of the oak wall behind him. The sound of his honor shuffling through a half-ream of paperwork reverberated about the room.

He called the sentencing hearing to order. Then, council was summoned to the bench. Whispering legalese used up what seemed to be an eternity of freedom.

Minutes later, Judge Kyle handed down a 21-month prison sentence to be served at the federal prison in Yankton, South Dakota.

Everyone in the courtroom sat down — except me. The judge asked if I had anything to say about the crimes I had committed. I'd planned to tell him that even though it was me who broke federal laws, I was sorry that everyone close to me; everyone I loved had to go through this nightmare too. But, behind me I could hear the sobs of those I was sorry for, and I just couldn't get the words out.

Yes, I was the criminal. It was my crime. Not my friends' or my family's.

The above only covers the shame, fear and embarrassment experienced by my loved ones prior to prison.

The facts: In 1994, I met a small group of "real estate investors" who bought houses at low prices. I was the loan officer who helped get their buyer's loans approved so that the real estate investors could sell them at inflated prices; the practice known as property flipping. I participated in about six loans over a six-month period. None of these borrowers ever made mortgage payments and the loans defaulted.

Over the next four years, the FBI investigated those loans, and the U.S. Attorney put together the case, United States of America vs. Mayne. I was indicted and arrested in December of 1998.

Even though the real estate investors didn't let me in on their scheme, I wasn't stupid — I knew what was going on. During the months that I worked with them, to put it mildly, I turned my head and justified my decisions to not act.

Among other activities, when I received documents I suspected were fraudulent, I didn't check them out or tell anyone, because, "I did not print them out, and even if it was fraudulent paperwork, I did not create them."

I came up with one justification after another so I could convince myself that — if they were fakes — someone else would catch the fake documents somewhere down the line. I talked myself into believing that it wasn't my job and therefore, wasn't my responsibility.

My gray area widened. Every so often I received anonymous \$100 bills. After a while, I decided



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I was as smart as these real estate investors so I bought a house to flip. Then, when I couldn't find a buyer, I asked the "real estate investors" to refer one of their buyers to me. We split the \$20,000 profit, and poof, we were in business together.

When I turned my head and submitted documents I suspected were fraudulent, I certainly wasn't thinking of the consequences or the future. I knew I was doing something wrong. I could feel it. I knew it was possible that I might get in trouble, but maybe just reprimanded. But I didn't pay attention to my gut feeling. I didn't ask the tough questions, such as, "Hey, are these pay-stubs fake?" Instead, I rationalized.

On November 4, 1999, I turned myself over to the Federal Bureau of Prisons and served most of my sentence at the facility in Yankton, South Dakota. That's 325 miles, each way, from my home in Minneapolis.

My ex-wife, understandably wasn't interested in allowing my 3- and 5-year old kids to visit me in prison. It was only after two-and-a-half months that I got permission to have a conference call with the family court to comply with the sharing of our children. Being denied the right to see my kids was a punishment to me. However, if they lose their father for 21 months, that's punishment to them. It was never my intention that they do my time.

Was there a better way to explain to a 3-year old, who does not completely understand the concept of "two years," that I was going to be gone for roughly two Santa Clauses? Was it just my loss that I missed both my kids' first day of kindergarten or helping my two little boys learn how to ride a bike?

My girlfriend drove 325 miles each way, every weekend of my prison sentence, to see me during visiting hours. She spent thousands of dollars on gas and hotel rooms. Other family members and friends came to visit too, and invested time and money.

BE ever vigilant

The day before closing the trustee called Michelle Allen, closer for Noble Title & Trust in Naples, Florida, from the bank where she opened the account for the trust. The bank representative faxed over wiring instructions for the new account. Upon receipt of the instructions Michelle picked up the phone and verified the instructions with the trustee and the bank.

The next morning the buyer came in with the closing funds and signed all of the closing documents. Michelle knew the trustee was in Colorado, two hours behind her time zone so she simply emailed to let her know the buyer closed and she would be wiring the proceeds out shortly.

My girlfriend and I learned that in order to get one of the good seats in the visiting room, she would have to arrive at the prison early so she could be in the front of the line. All the other visitors knew this, too. So, to be at the front of the line, she had to be at the outdoor entrance a half-hour before the guards opened the gates. If you've ever been to South Dakota in the winter, you know that the temperatures can reach sub-zero levels, which is apparently pretty uncomfortable if you happen to be wearing a skirt.

I heard reports from several of my friends and family members that they were treated with disdain by the guards when they came to visit. Why were they treated like criminals? They were only coming to visit one. Is there guilt by association? You better believe it!

If someone was going to be treated like a criminal, it should be the criminal. But it doesn't work that way. I did not think about that when I was justifying my criminal activities.

I didn't like getting indicted. At the time, I didn't think it was fair. I didn't like losing all material possessions, going to prison and losing the respect of my peers. However, by committing fraud, I have to say that it was, at least, foreseeable that I would suffer the consequences.

My message to other "would-be" justifiers: it is a choice to side-step an instinct. It's a conscious decision to turn one's head. My story isn't uncommon or unique. Just remember, even if a person is comfortable going to prison, it is not just them who will do the time

Jerome Mayne is an [international keynote speaker](#). He's been in front of hundreds of companies and associations helping their people make the right decisions, when the right decisions are not easy. He's the author of the book, [Diary of a White Collar Criminal](#) (available on Amazon in paperback and Kindle). He co-authored the real-estate continuing education course, Mortgage Fraud and Predatory Lending – what every agent should know (Dearborn/Kaplan). He can be reached at 612.919.3007, jerome@jeromemayne.com and www.jeromemayne.com.

Almost immediately the trustee replied with new wire instructions. The trustee's email indicated the new instructions were the ones Michelle should use and asked Michelle to notify her by email once the wire had been sent. The signature block within the body of the email was the same, however the email address Michelle had on file did not match. She knew the email was not from the seller and called to confirm.

The seller answered the call despite being asleep. She confirmed with Michelle she did not send her new wiring instructions. The trustee thanked her for double checking and was upset to know her email had been hacked. As an added precaution, Michelle confirmed which bank, account number and routing number for the

[BE ever vigilant - continued]

wire instructions. Michelle then sent the wire. The trustee confirmed more than \$500,000 in proceeds were safely received in her account later that same afternoon.

The closing occurred on March 31, 2017, this was not the only file Michelle was working on, yet she did not let the fraudsters win. In her submission to *Fraud Insights* she said, "Be ever vigilant – even on a crazy end of the month day!!"



BLIND or physically disabled signers

Many states do not address or provide specific instructions to commissioned notaries on the proper way to notarize a signer who is blind. In any case, the requirements vary from one state to another and it is imperative the notary completely understand his/her obligations when notarizing the signature of a blind person.

The same is true for a signer who is disabled and unable to sign his/her name. Some states require the signer make at least a mark in their own handwriting. Other states, such as Oregon have provisions which allow a disabled signer to use a stamp or mechanical device to sign his/her name. In these instances, much like notarizing the signature of a blind signer the state may require witnesses be present.

The notary must not assist the signer. Guiding the hand of the document signer could appear to be an act of official misconduct. If the signer is blind the notary may want to use a signature guide card which is usually available through a visually impaired group

or association. It is about the size of a business card and has the bottom third open to expose the document signature area which creates a small lip around the space for the signature the signer can feel with their pen to help them stay in the space without assistance.

In some states, if the document signer is unable to sign or make a mark due to a physical disability, the notary laws allow the signer to ask the notary to sign his/her name on the document being notarized only if done so in the presence of at least one impartial witness who has no legal or equitable interest in the transaction. The point is, the notary needs to consult with their state's regulations to determine how many witnesses will be needed and whether the person or persons sign the document or just the notary's journal.

Lastly, the commissioned notary must be sure they have fully researched the specific circumstances to ensure the act is executed properly including the form of acknowledgment or jurat being used for the specific circumstances.

