

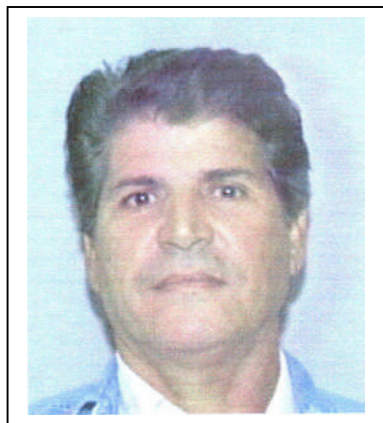


***ZERO TOLERANCE ON MORTGAGE FRAUD RESULTS IN THE ARREST OF THREE MEN IN BROWARD COUNTY, FLORIDA***

ALERT ADVISORY – May 23, 2007  
Ft. Lauderdale, Florida

On Monday, May 21, 2007 three men were arrested by detectives with the Economic Crime Unit of the Broward County Sheriff's Office. All three were charged with Organized Scheme to Defraud and Mortgage Fraud over \$50,000 and are being held in the Broward County Jail without bond.

The three men arrested include: EDIMAR ONOFRE DASILVA, age 54, of 1233 SW 1<sup>st</sup> St., Deerfield Beach, Florida; JOSE WILLIAM DEOLIVEIRA, age 52, and VICTOR M. DEOLIVEIRA, age 22 both residing at 3996 NW 6<sup>th</sup> Street, Deerfield Beach, Florida.



Edimar Onofre DaSilva



Jose William DeOliveira



Victor M. DeOliveira

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All three men were charged in connection with an attempt to defraud Washington Mutual Bank in the amount of \$1,200,000 using over inflated values and forged contracts on real estate located at 2801 N.E. 59<sup>th</sup> Street, Ft. Lauderdale, Florida.

The initial investigation revealed that Gordon and Paula Clelland have owned their home located at 2801 N.E. 59<sup>th</sup> Street since 1989. They placed the home on the market for sale in October 2006 through their Realtor, Greater Broward Realty. The property was originally listed for sale at \$899,000. The property sat on the market without any activity and there was a price reduction from \$899,000 to \$879,000 in November 2006.

On or about March 30, 2007 **JOSE WILLIAM OLIVEIRA**, a Realtor Associate employed with **MARIO'S REALTY COMPANY**, tendered an offer the purchase the property on behalf of a **ALEX ACOSTA** for \$830,000. This Contract called for Acosta to pay a \$20,000 earnest money deposit to be held in escrow by **AUTHORIZED TITLE & ESCROW, INC.** located at 4171 W. Hillsboro Boulevard, Suite 9, Coconut Creek, Florida.

Shortly after the Contract was signed, Wayne Blackburn, the principal broker at Greater Broward Realty, began to inquire about the \$20,000 earnest money deposit. When he could not get in contact with **OLIVEIRA**, he made telephone contact with employees at **AUTHORIZED TITLE & ESCROW**. He was told that they did not have a closing file on that property and had no information regarding the \$20,000 earnest money deposit. Blackburn then identified the principal broker with **MARIO'S REALTY COMPANY** known to him as **MARIO MESQUITA**. Blackburn states that he spoke with **MESQUITA** by telephone about the earnest money deposit and that the next day he received a letter from **AUTHORIZED TITLE & ESCROW** that was signed by **MICHAEL NEGRI** attesting that they were, in fact, holding the \$20,000 in earnest money.

Over the next few weeks, there were two different appraisers who came to the property in order to conduct the appraisal for the loan. Blackburn met with the first appraiser at the property and was later told there was a problem with the appraisal and that a new appraisal was required. Blackburn did not meet the second appraiser at the property.

As the original closing date of May 11, 2007 approached, Blackburn was contacted by the buyer to say they could not close at that time because of a delay in the loan process. The seller, Clelland, agreed to extend the closing date to May 18, 2007 if they would release \$10,000 of the earnest money to the seller. Subsequent to that agreement, Clelland reportedly received an escrow check from **AUTHORIZED TITLE & ESCROW** for the \$10,000.

On May 16, 2007 Blackburn received a copy of the proposed HUD-1 Settlement Statement from **AUTHORIZED TITLE & ESCROW**. When Blackburn reviewed the HUD-1 he noted several large discrepancies that led him to believe a fraud was occurring. He immediately notified his client and retained the services of Glenn Leonard, Esquire.

Some of the items he noticed were fraudulent were:

1. The contract sale price was listed at \$1,200,000 when the actual sales price was \$830,000.
2. The buyer was now listed as **EDIMAR DA SILVA** instead of **ALEX ACOSTA**.
3. The HUD-1 reflected that an \$80,000 earnest money deposit had been paid and that the seller, Clelland, was holding \$70,000 of that amount. Blackburn knew this to be a false statement.
4. The HUD-1 also reflected that Clelland was giving DaSilva a credit for closing cost in the amount of \$33,267.66. Blackburn knew this was also a false statement.
5. More importantly, the HUD-1 reflected a “pay-off of an unrecorded mortgage payable to “FLORIDA DEVELOPMENT & CONSTRUCTION” in the amount of \$237,080.14. Blackburn also knew this was a false statement as well.

Glen Leonard then contacted the title insurance underwriter for AUTHORIZED TITLE and notified them of the fraud in progress. The underwriter immediately retained Information Data Services to conduct an investigation and to protect their insured lender from any potential loss.

Based on the fraudulent HUD-1, IDS then contacted the Broward County Sheriff’s Office and gained their cooperation and assistance. A law enforcement investigation was then initiated. Through that investigation it was found that the sales contract Washington Mutual had in their file reflecting the sales price of \$1,200,000 contained the forged signatures of Gordon and Paula Clelland. Using this forged contract, the fraudulent HUD-1 and the over inflated valuation of the property as a predicate, investigators employed by Information Data Services and the Broward County Sheriff’s Office conducted a “sting operation” at the office of AUTHORIZED TITLE on Monday morning, May 21. Subsequent to the sting operation and follow up investigation, the three men were arrested and jailed on felony charges.

The investigation also revealed two additional loan files that were ready to close that involved the same borrower, EDIMAR DASILVA. Combined, both loan files represented more than \$2.8 million in loans that were also found to have been based on fraudulent statements and representations. All together, this law enforcement investigation resulted in the prevention of more than \$4 million in loan fraud.

This investigation continues and additional arrests are expected in the next few weeks. If you have any information regarding this crime or information regarding other fraudulent loan closings involving the persons identified in this Alert, please contact Det. Mitchell Gordon with the Broward County Sheriff’s Office at (954) 321-4618.

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