

5th National Forum on

PREVENTING, DETECTING AND RESOLVING

# MORTGAGE FRAUD

September 23 – 24, 2008 | FireSky Resort and Spa, Scottsdale, AZ

Advanced Strategies and Techniques  
from Mortgage Banking Experts:

Countrywide

Fidelity National Title Insurance Company

FNC

Freddie Mac

GreenPoint Mortgage Funding

iMortgage Services

Ohio Savings Bank

Wells Fargo Home Mortgage

D.S. Murphy & Associates

Network with risk management, fraud prevention and quality assurance professionals as you will gain a full understating of how to:

- Develop an efficient and effective process for SARs
- Implement a fail-safe red flag system for detecting falsified documentation in loan applications
- Combat fraud in reverse mortgages
- Persuade law enforcement to prioritize your case after they've been alerted to potential fraud
- Optimize in-house and external resources in fraud investigations
- Educate employees on loan documentation with an eye toward asset recovery
- Find and recover the most assets on a fraudulent loan

Post-Conference Workshop:

**Conducting a Self-Assessment of Your Fraud  
Prevention and Detection Program**

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CLE  
CREDITS

Special Law Enforcement  
Roundtable Featuring:

Federal Bureau of Investigation

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# With the radical shift in the market over the past year, mortgage fraud has only increased . . . Are your fraud prevention policies keeping pace with the new market realities?

The statistics are alarming. By some estimates, fraud schemes have cost the mortgage industry as much as \$6 billion. The FBI has more than 1,000 active cases representing a 237% increase in less than five years. In fact, mortgage fraud has been elevated to the top priority among financial crimes.

Given the instability of the mortgage banking industry and the increasing sophistication of the fraud schemes, it is crucial that you keep your prevention and detection practices in top shape. American Conference Institute has designed the 5th National Forum on Preventing and Detecting Mortgage Fraud to give you the advanced, practical strategies you need to enhance your fraud prevention and detection practices. You will hear from leading experts including experienced risk management, quality assurance and fraud prevention professionals, as well as senior mortgage banking attorneys. Our expert faculty will provide you with the best strategies on:

- Recognizing the latest mortgage fraud trends from around the country
- Detecting mortgage fraud schemes before they occur
- Expediting the handling of your case by law enforcement
- Identifying fraudulent documentation prior to loan approval
- Establishing procedures to minimize appraisal fraud

Take advantage of this opportunity to network with industry leaders and learn from others facing the same challenges in this turbulent environment. Be sure to reserve your space before this industry event sells out.

Register now by calling 1-888-ACI-2480, faxing your registration form to 1-877-927-1563, or registering online at [www.AmericanConference.com/mortgagefraud](http://www.AmericanConference.com/mortgagefraud).

I look forward to seeing you in September!

Best regards,



Holly B. Goldberg  
Conference Director



ALUMNI

## Expand Your Network

The complimentary ACI Alumni Program is designed to provide returning delegates with unique networking and learning opportunities beyond the scope of their conference experience.

Highlights include:

- Search for and contact fellow Alumni
- Post a question or look for answers in our Industry Forums
- Join a live Industry Chat in progress
- Build your own community
- Earn Forum points towards free conferences & workshops

Expand your Network at [www.my-aci.com](http://www.my-aci.com)

## WHO YOU WILL MEET

- Mortgage Industry Professionals in the Following Areas:
  - Risk Assessment
  - Quality Assurance
  - Quality Control
  - Fraud Prevention
  - Fraud Investigation
  - Underwriting
  - Compliance
- Corporate Counsel at Mortgage Lenders
- Private Practice Attorneys Specializing in:
  - Mortgage Banking
  - Financial Services
  - Consumer Finance
- Financial Crimes Investigators

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For more information about this program or our global portfolio of events, please contact:

*Wendy Tyler*

Group Leader & Business Development Executive  
American Conference Institute

Tel: 212-352-3220 x242

Fax: 212-220-4281

[w.tyler@AmericanConference.com](mailto:w.tyler@AmericanConference.com)

## CONTINUING LEGAL EDUCATION CREDITS



Accreditation will be sought in those jurisdictions requested by the registrants which have continuing education requirements. This course is identified as **nontransitional** for the purposes of CLE accreditation.

ACI certifies that the activity has been approved for CLE credit by the New York State Continuing Legal Education Board in the amount of 14.0 hours. An additional 4.0 credit hours will apply to workshop participation.

ACI certifies that this activity has been approved for CLE credit by the State Bar of California in the amount of 12.0 hours. An additional 3.5 credit hours will apply to workshop participation.

ACI has a dedicated team which processes requests for state approval. Please note that event accreditation varies by state and ACI will make every effort to process your request.

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**8:00 Registration Opens and Continental Breakfast** 📄

**9:00 Co-chairs' Opening Remarks**

*Jim Ciccone*

Executive Vice President, Deputy General Counsel  
Countrywide (Calabasas, CA)

*William P. Heller*

Chair, Consumer Finance Litigation  
Akerman Senterfitt (Ft. Lauderdale, FL)

**9:15 Emerging Mortgage Fraud Schemes and Risks**

*Merle D. Sbarick*

VP Manager, CPS Mortgage/Real Estate Services Business  
Development, MARI (Reston, VA)

*Lance Wolf*

Counsel  
Freddie Mac (Alexandria, VA)

*Rob Mowrey*

Partner  
Locke Lord Bissell & Liddell LLP

In this session, you will learn about the latest nationwide trends in fraud over the past year, the fraud hotspots, and how to recognize certain emerging schemes. You will also learn about the red flags in current fraud schemes from different regions of the country so that you will recognize them when they come your way. This expert panel will give you:

- Real-world examples demonstrating everything you need to know about skimming scams, foreclosure bailouts, subprime loans, and predatory lending
- The latest on SARs requirements
- What to expect of the remainder of the reduced documentation loans
- A cutting-edge discussion of Identity Risk Management in the loan process

**10:15 Morning Coffee Break** 📄

**10:30 Best Practices for Fraud Prevention and Underwriting**

*Gary Carr*

Quality Control Manager  
Ohio Savings Bank (Cleveland, OH)

*Robert Perry*

Fidelity National Title Insurance (Jacksonville, FL)

*Larry Ruder*

Director, Fraud Risk Management  
Wells Fargo Home Mortgage (Minneapolis, MN)

Moderator

*Timothy R. McTaggart*

Partner  
Pepper Hamilton LLP (Washington, DC)

- Updating processes to spot fraudulent documentation in full doc loans
  - new methods for detecting sophisticated doctored loan documentation
  - effect of tighter credit restrictions on the loan process

- what to look for when reviewing borrower documents and matching income to credit history
- best practices on how to quickly validate a borrower's employment
- Pre-approval fraud prevention: adapting existing practices to new and emerging fraud schemes
  - what red flags should you look for— “hard to spot” characteristics of fraud
  - best practices for educating employees on fraud prevention
  - conducting thorough due diligence to minimize the risk of originating fraudulent loans
  - integrating new software tools into your prevention practices
  - using predictive modeling to bolster fraud prevention practices
  - incorporating the results of strategy reviews into your prevention policy: understanding how you got beat on an account
  - how to perform a quick and accurate triage on a Spot Loan referral
  - maintaining the proper balance between production and risk management
- Pre-funding detection strategies to reveal fraudulent approvals
  - determining which pre-funding diagnostic tools are best for your organization
  - implementing the new diagnostic tools into existing detection strategies
  - determining EPD risk during the underwriting process
  - incorporating regional differences in your detection strategies
  - datamining strategies for information that software may not pick up
  - how to adequately run checks to identify straw buyers and what to do once they are detected
  - next steps when you suspect fraud in the papers
  - what you and your attorney should look for prior to closing
  - checking title and when to pull files for additional investigation

**12:30 Networking Luncheon Breakout Sessions**

*To facilitate your networking and conference experience in this unique luncheon, conference attendees will choose a table dedicated to an in-depth discussion of specific issues that will be determined by conference attendees.*

**1:45 Preventing and Recognizing Appraisal Fraud**

*Kathy Coon*

Chief Appraiser/Director of Appraisal Quality Control  
FNC, Inc. (Houston, TX)

*D. Scott Murphy*

President & SRA  
D.S. Murphy & Associates (Suwanee, GA)

*Scott Warner*

VP Quality Assurance  
iMortgage Services, LLC (Philadelphia, PA)

Moderator

*A. Michelle Canter*

Partner  
Franzén and Salzano, P.C. (Norcross, GA)

- How to spot a “bad” appraiser
- Standards you should use when establishing an approved appraiser program
- Methods of verifying an appraiser's signature
- Best practices to avoid conflicts of interest when ordering appraisals
- What to look for when validating an appraiser's opinion
- What is the minimum an appraiser should do?

- What to look for when validating an appraisal: how to confirm property value without ordering a second evaluation
- Permissible user of appraisals: determining the right of the secondary market to rely on the appraisal
- How to hold appraisers accountable for bad appraisals
- What information you should collect to prove that an appraiser perpetrated a fraud

### 3:15 Afternoon Refreshment Break

### 3:30 Ensuring Your Practices Keep Pace with Emerging Legislative and Regulatory Initiatives

*Felecia Rotellini*

Superintendent

Arizona Department of Financial Institutions (Phoenix, AZ)

*Cary P. Whitaker*

Mortgage Broker Program Manager  
Department of Regulatory Agencies (Denver, CO)

**Moderator**

*Jeffrey P. Naimon*

Partner

Buckley Kolar LLP (Washington, DC)

*Andy Grosmaire*

Bureau Chief, Bureau of Finance Regulation  
Office of Financial Regulation (Tallahassee, FL)

This roundtable discussion of leading regulatory and enforcement experts will provide inside information on current initiatives, legislation, newly implemented regulations and other hot topics that will have a direct impact on how you handle fraud. You will gain a clear understanding of legislative and regulatory initiatives and what processes you need to implement and update to conform to these changes. Among the topics that will be discussed are:

- What state and local agencies are doing to enhance fraud prevention
- New laws that may impact your ability to recover in cases of fraud
- The latest on predatory lending regulations
- The effects of SARs requirements on your fraud prevention and detection policies
- Regulatory initiatives to combat reverse mortgage fraud

### 5:00 Conference Adjourns for the Day

All participants are invited to attend this networking opportunity and enjoy a cocktail reception hosted by Locke Lord

Cocktail Reception hosted by:



WEDNESDAY, SEPTEMBER 24

### 8:30 Continental Breakfast

### 9:00 Opening Remarks

### 9:15 Getting the Experts Involved: Maximizing Assistance from Federal, State and Local Law Enforcement

*To maximize the value of this session, we welcome you to submit questions or proposed topics of discussion prior to the conference so*

*that the panel will be sure cover the issues of most interest to you. Please email your comments to [h.goldberg@americanconference.com](mailto:h.goldberg@americanconference.com).*

*Michael Blume*

Assistant United States Attorney  
Eastern District of Pennsylvania (Philadelphia, PA)

*Anthony D'Angelo*

Agent

Federal Bureau of Investigation (Chicago, IL)

*Andrew Gibart*

Special Agent

Internal Revenue Service IRS-CI (Minneapolis, MN)

**Moderator**

*Andrew L. Sandler*

Partner

Skadden, Arps, Slate, Meagher & Flom LLP (Washington, DC)

- When to contact law enforcement after spotting suspicious activity
- Circumstances where law enforcement will pursue a case based on SARs
- Getting law enforcement to prioritize your fraud case
  - what information to include in your fraud package
  - what arguments will convince enforcement authorities to pursue a case
- Maintaining the chain of evidence during an investigation
- Tips for keeping the lines of communication open between you and law enforcement authorities
- What law enforcement can tell you after a SAR has been filed
- When you can realistically expect action
- Other enforcement alternatives
  - when and how to contact the U.S. Postal Service regarding mail fraud
  - tips for getting other enforcement agencies involved

### 10:45 Morning Coffee Break

### 11:00 Detecting Mortgage Fraud during the Post-Closing Investigation

*John Pettet*

Sr. Investigator

Arizona Department of Financial Institutions (Phoenix, AZ)

*Martin C. Bryce*

Partner

Ballard Spahr Andrews & Ingersoll LLP (Philadelphia, PA)

- Staffing the investigation: who should be included when configuring your fraud group
- What parts of the investigation can be outsourced
- Conducting a cost/benefit analysis: things to take into consideration
- Calculating ROI
- Presenting the business case to management
- Preventing identity theft when outsourcing
- Maintaining privacy during the investigation
- What to expect from outside counsel during the investigation

### 12:00 Networking Luncheon for Delegates and Speakers

## 1:15 Litigation and Recovery Strategies in Mortgage Fraud Cases

*Ron Arlas*

Litigation Counsel  
GreenPoint Mortgage Funding (Novato, CA)

*Jim Ciccone*

Executive Vice President, Deputy General Counsel  
Countrywide (Calabasas, CA)

*William P. Heller*

Chair, Consumer Finance Litigation  
Akerman Senterfitt (Ft. Lauderdale, FL)

- Identifying potential defendants in a fraud case
- Ascertaining the best sources of recovery
  - conducting effective asset searches
  - techniques for investigating insolvency
  - realistically estimating the potential amount of recovery
  - strategies for negotiating with insurance carriers
- Conducting a cost/benefit analysis on pursuing civil actions
- Determining which causes of action to state in the pleadings
- What documents you should collect during discovery
- How quality assurance professionals and in-house counsel can work together with outside counsel during litigation to obtain the best outcome
- Developing a strategic and effective asset recovery plan
  - establishing your objectives and formulating a plan
  - gathering the appropriate team and allocating resources
  - methods of quantifying loss
  - involving law enforcement in the recovery plan
  - preparing for the loss of control in the event of government intervention
  - plotting out an internal investigation
  - using the courts to ensure recovery
    - civil litigation strategies to maximize asset recovery
    - recovering assets through bankruptcy proceedings
    - planning for concurrent civil and criminal proceedings
    - the latest techniques for recovery during a concurrent criminal action
- Tracing, chasing, and recovering assets abroad
  - organizing and managing international investigations
  - tactical strategies to recover assets outside of the United States

## 2:45 Afternoon Refreshment Break

## 3:00 Lender and Investor Strategies for Handling Repurchase Requests

*Stephanie Laird Tolson*

Of Counsel  
McGlinchey Stafford PLLC (Houston, TX)

*Robert J. Pratte*

Partner  
DLA Piper LLP (Minneapolis, MN)

- What types of loans are investors buying in the current market
- What's included in loan trading due diligence
- What are reasonable conditions to include in repurchase agreements
- Fraud detection techniques used by investors in determining EDP risk before purchase
- Investors' alternatives to repurchase demands
- Effective arguments for contesting repurchase requests

## 4:00 Making the Most of the Latest Techniques for Tracking Hidden Assets

*Rachel M. Dollar*

CMB, Vice President, Smith Dollar PC

*Eric Weinstein*

Partner  
Feldman Weinstein & Smith LLP

- Where to find information
- Gathering evidence efficiently
- Making the most of your investigators
- Obtaining evidence from fraudsters and others
- Conducting forensic examination of bank statements, credit reports, court records and company records
- Managing investigations in multiple jurisdictions
- Liaising with government authorities
- Identifying and obtaining valuable electronic evidence
- Technology tools to enhance the asset search
  - effective online databases
  - categories of assets that are traceable through public records
  - software programs that will depict previously unknown relationships between individuals and entities or the flow of money
- Tracing, chasing, and recovering assets abroad
  - organizing and managing international investigations
  - tactical strategies to recover assets outside of the United States

## 5:00 Conference Concludes

### Post-Conference Workshop

Thursday, September 25, 2008 | 9am - 12:30pm

### Conducting a Self-Assessment of Your Fraud Prevention and Detection Program

This in-depth program will provide practical guidance on how to analyze and evaluate the effectiveness of your fraud prevention and detection program. In this interactive workshop, our expert faculty will explore the following issues:

- When is a compliance audit necessary?
- Determining the right methodology for your institution
- How often should an audit occur?
- Who should conduct the audit?
- Effectively using outside counsel during a compliance audit
- High risk areas – where compliance procedures fall short
- Types of documentation to review
- Wrapping up the audit and drafting the report
- How to use your audit results effectively
- Working with management to implement process improvements
- How to effectively address compliance shortcomings

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5th National Forum on

PREVENTING, DETECTING AND RESOLVING

# MORTGAGE FRAUD

September 23 – 24, 2008 | FireSky Resort and Spa, Scottsdale, AZ

Post-Conference  
Workshop:

CONDUCTING A  
SELF-ASSESSMENT  
OF YOUR FRAUD  
PREVENTION AND  
DETECTION PROGRAM

Thursday,  
September 25, 2008

## REGISTRATION FORM

PRIORITY SERVICE CODE:

S

ATTENTION MAILROOM: If undeliverable to addressee, please forward to:  
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YES! Please register the following delegate for the  
MORTGAGE FRAUD

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APPROVING MANAGER \_\_\_\_\_ POSITION \_\_\_\_\_

ORGANIZATION \_\_\_\_\_

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FEE PER DELEGATE	Register & Pay by Jul 18, 2008	Register & Pay by Aug 29, 2008	Register after Aug 29, 2008
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- FAX** 877-927-1563
- ONLINE**  
AmericanConference.com/mortgagefraud
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CustomerService  
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### Hotel Information

American Conference Institute is pleased to offer our delegates a limited number of hotel rooms at a preferential rate. Please contact the hotel directly and mention the "ACI Mortgage Fraud" conference to receive this rate:

VENUE: FireSky Resort and Spa  
ADDRESS: 4925 N. Scottsdale Rd., Scottsdale, AZ 85251  
RESERVATIONS: 800.528.7867 or T: 480.945.7666

### Registration Fee

The fee includes the conference, all program materials, continental breakfasts, lunches, refreshments and complimentary membership of the ACI Alumni program

### Payment Policy

Payment must be received in full by the conference date. All discounts will be applied to the Conference Only fee (excluding add-ons), cannot be combined with any other offer, and must be paid in full at time of order. Group discounts available to individuals employed by the same organization.

### Cancellation and Refund Policy

You must notify us by email at least 48 hrs in advance if you wish to send a substitute participant. Delegates may not "share" a pass between multiple attendees without prior authorization. If you are unable to find a substitute, please notify American Conference Institute (ACI) in writing up to 10 days prior to the conference date and a credit voucher valid for 1 year will be issued to you for the full amount paid, redeemable against any other ACI conference. If you prefer, you may request a refund of fees paid less a 25% service charge. No credits or refunds will be given for cancellations received after 10 days prior to the conference date. ACI reserves the right to cancel any conference it deems necessary or remove/restrict access to the ACI Alumni program and will not be responsible for airfare, hotel or other costs incurred by registrants. No liability is assumed by ACI for changes in program date, content, speakers, venue or arising from the use or unavailability of the ACI Alumni program

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