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**Former Executive at Florida-Based Lender Processing Services Inc.
Admits Role in Mortgage-Related Document Fraud Scheme
Over 1 Million Documents Prepared and Filed with Forged and False
Signatures, Fraudulent Notarizations**

WASHINGTON – A former executive of Lender Processing Services Inc. (LPS) – a publicly traded company based in Jacksonville, Fla. – pleaded guilty today, admitting her participation in a six-year scheme to prepare and file more than 1 million fraudulently signed and notarized mortgage-related documents with property recorders’ offices throughout the United States.

The guilty plea of Lorraine Brown, 56, of Alpharetta, Ga., was announced by Assistant Attorney General Lanny A. Breuer of the Justice Department’s Criminal Division; U.S. Attorney for the Middle District of Florida Robert E. O’Neill; and Michael Steinbach, Special Agent in Charge of the FBI’s Jacksonville Field Office.

The plea, to conspiracy to commit mail and wire fraud, was entered before U.S. Magistrate Judge Monte C. Richardson in Jacksonville federal court. Brown faces a maximum potential penalty of five years in prison and a \$250,000 fine, or twice the gross gain or loss from the crime. The date for sentencing has not yet been set.

“Lorraine Brown participated in a scheme to fabricate mortgage-related documents at the height of the financial crisis,” said Assistant Attorney General Breuer. “She was responsible for more than a million fraudulent documents entering the system, directing company employees to forge and falsify documents relied on by property recorders, title insurers and others. Appropriately, she now faces the prospect of prison time.”

“Homeownership is a huge step for American citizens,” said U.S. Attorney O’Neill. “The process itself is often intimidating and lengthy. Consumers rely heavily on the integrity and due diligence of those serving as representatives throughout this process to secure their investments. When the integrity of this process is compromised, illegally, public confidence is eroded. We must work to assure the public that their investments are sound, worthy, and protected.”

Special Agent in Charge Steinbach stated, “Our country is increasingly faced with more pervasive and sophisticated fraud schemes that have the potential to disrupt entire markets and the economy as a whole. The FBI, with our partners, is committed to addressing these schemes. As these schemes continue to evolve and become more sophisticated, so too will we.”

Brown was the chief executive of DocX LLC, which was involved in the preparation and recordation of mortgage-related documents throughout the country since the 1990s. DocX was acquired by an LPS predecessor company, and was part of LPS’s business when LPS was formed as a stand-alone company in 2008. At that time, DocX was rebranded as “LPS Document Solutions, a Division of LPS.” Brown was

the president and senior managing director of LPS Document Solutions, which constituted DocX's operations.

DocX's main clients were residential mortgage servicers, which typically undertake certain actions for the owners of mortgage-backed promissory notes. Servicers hired DocX to, among other things, assist in creating and executing mortgage-related documents filed with recorders' offices. Only specific personnel at DocX were authorized by the clients to sign the documents.

According to plea documents filed today, employees of DocX, at the direction of Brown and others, began forging and falsifying signatures on the mortgage-related documents that they had been hired to prepare and file with property recorders' offices. Unbeknownst to the clients, Brown directed the authorized signers to allow other DocX employees, who were not authorized signers, to sign the mortgage-related documents and have them notarized as if actually executed by the authorized DocX employee.

Also according to plea documents, Brown implemented these signing practices at DocX to enable DocX and Brown to generate greater profit. Specifically, DocX was able to create, execute and file larger volumes of documents using these signing and notarization practices. To further increase profits, DocX also hired temporary workers to sign as authorized signers. These temporary employees worked for much lower costs and without the quality control represented by Brown to DocX's clients. Some of these temporary workers were able to sign thousands of mortgage-related instruments a day. Between 2003 and 2009, DocX generated approximately \$60 million in gross revenue.

After these documents were falsely signed and fraudulently notarized, Brown authorized DocX employees to file and record them with local county property records offices across the country. Many of these documents – particularly mortgage assignments, lost note affidavits and lost assignment affidavits – were later relied upon in court proceedings, including property foreclosures and federal bankruptcy actions. Brown admitted she understood that property recorders, courts, title insurers and homeowners relied upon the documents as genuine.

Brown also admitted that she and others also took various steps to conceal their actions from clients, LPS corporate headquarters, law enforcement authorities and others. These actions included testing new employees to ensure they could mimic signatures, lying to LPS internal audit personnel during reviews of the operation in 2009, making false exculpatory statements after being confronted by LPS corporate officials about the acts and lying to the FBI during its investigation. LPS closed DocX in early 2010.

This case is being prosecuted by Trial Attorney Ryan Rohlfen and Assistant Chief Glenn S. Leon of the Criminal Division's Fraud Section and Assistant U.S. Attorney Mark B. Devereaux of the U.S. Attorney's Office for the Middle District of Florida. This case is being investigated by the FBI, with assistance from the state of Florida's Department of Financial Services.

Today's conviction is part of efforts underway by President Obama's Financial Fraud Enforcement Task Force (FFETF), which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants, including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.