

STATE OF MICHIGAN ATTORNEY GENERAL BILL SCHUETTE FILES CRIMINAL CHARGES AGAINST FORMER MORTGAGE PROCESSOR PRESIDENT FOR ROLE IN FRAUDULENT ROBOSIGNING

http://www.michigan.gov/ag/0,4534,7-164-46849_47203-290350--,00.html

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LANSING - Michigan Attorney General Bill Schuette today announced he charged Lorraine Brown, former president of mortgage document processor DocX, with racketeering for her alleged role in authorizing the fraudulent signing of mortgage documents filed in Michigan. The felony charge comes as the result of an ongoing Attorney General investigation into questionable mortgage documentation filed with Michigan's Register of Deeds offices during the foreclosure crisis.

"Shortcuts like robo-signing are just one piece of the mortgage foreclosure crisis," said Schuette. "Our investigation remains ongoing, and we will bring to justice every lawbreaker we find."

In April 2011, Schuette launched an investigation after county officials across the state reported that they suspected Assignment of Mortgage documents filed in their offices may have been forged. A "60 Minutes" news broadcast had shown that the name "Linda Green" was signed to thousands of mortgage-related documents nationwide, but with many different variations in handwriting. County officials in Michigan reviewed their files and found similar documents, thus raising questions about the authenticity of the documents filed.

As part of his investigation, Schuette reviewed documents filed in Michigan and prepared by DocX, a document processing company located in Georgia. DocX processed mortgage assignments and lien releases for

residential lenders and servicers nationwide. Schuette's investigation revealed that former DocX president Lorraine Brown, 51, of Alpharetta, Georgia, allegedly established and orchestrated a widespread scheme of "robo-signing," a practice in which employees were directed to fraudulently sign another authorized person's name on mortgage documents in order to execute these documents as quickly as possible.

Internally, DocX identified this practice as "facsimile signing" or "surrogate signing." Schuette alleges that from 2006 through 2009, these improperly executed documents were created and recorded at Brown's direction. Schuette's investigation revealed that more than 1,000 unauthorized and improperly executed documents were filed with county registers of deeds throughout Michigan.

Lorraine Brown has been charged with one count of Conducting Criminal Enterprises (Racketeering), a 20-year felony, in Kent County's 61st District Court. Arrangements are being made for Brown to surrender to Michigan authorities, and arraignment will be scheduled at a later date.

In 2010, DocX suspended operations, halting its work as a mortgage document processor. Schuette noted that while the criminal charges against Brown address her role in the scheme, his office's overall investigation into robo-signing remains ongoing and is not yet complete.

A criminal charge is merely an accusation, and the defendants are presumed innocent unless proven guilty.