



**Real Estate Fraud Prosecution Program
FY 2013-2014 Annual Report**

Cases

- ***People vs. Vincent Landeros***

On September 26, 2013, Vincent Landeros pled guilty to felony Grand Theft and misdemeanor Collection of Advanced Fees charges. Landeros was unlicensed and offering loan modification services which he never performed. He was sentenced to 30 days in County jail and placed on 3 years formal probation. He was also ordered to pay restitution.

- ***People v. David Prenatt***

In December 2013, the DA's Office filed a 148 count complaint against local businessman David Prenatt for Grand Theft and Securities Fraud violations. This case involves investments and loans obtained by David Prenatt from various local residents. The total losses to the victims are estimated at about \$13 million. Prenatt is currently in the Santa Barbara County Jail pending prosecution.

- ***People v. Ismael Cancinos and Mercedes Alvarez***

After a lengthy investigation, the DA's office filed charges against Cancinos and Alvarez in association with a foreclosure consultant scheme in which the two offered to stop foreclosures of residences for an upfront fee. The case involved 34 known victims and targeted the Hispanic community. There were over \$200,000 in losses which did not include the loss of many homes unnecessarily to foreclosure. The DA's Office filed 95 counts and special allegations against each defendant, and no-bail arrest warrants were issued. Due to investigative efforts made in conjunction with allied agencies, Cancinos was located in a motel room in Bell Gardens on January 27, 2014. He was arrested, transported, and booked into the Santa Barbara County Jail where he remains in custody pending prosecution. Mercedes Alvarez turned herself in on February 19, 2014, and on July 14, 2014, Alvarez pled guilty to 7 felony counts of Civil Code section 2945 (Prohibited Acts of a Foreclosure Consultant). She also admitted to the white collar enhancement of taking over \$100,000, which ensured she will receive a State Prison sentence of 1 year and 4 months and will voluntarily surrender her real estate license. The case against Ismael Cancinos is still pending.

- ***People vs. Melissa Reynoso***
The DA's Office filed felony charges against a local real estate salesperson for Grand Theft and Preparing False Documentary Evidence. The case was investigated in conjunction with Santa Maria Police and involves the defendant falsifying business records and embezzling money from the property management company that employed her. The case is in the prosecutorial phase, and the loss is \$200,000.
- ***People vs. Dennis Gleason***
The DA's Office filed felony Burglary, Grand Theft, and Prohibited Acts of a Foreclosure Consultant Charges against Gleason. A warrant was issued for his arrest, and he was arrested on June 28, 2014. This case is pending prosecution.
- ***People v. Jeff Lind and People v. Dee Thomas Murphy***
Prosecution continues against two defendants accused of recording a \$77 million lien on a local judge's personal property. The case is to begin trial in October 2014.

Highlights

- The Board of Supervisors approved a fee increase from \$3 to \$10 on certain recorded documents in October 2013 in order to fund an expanded Real Estate Fraud Prosecution Unit. The Clerk Recorder's Office began collecting the \$10 fee in January 2014. The District Attorney's Office has hired a full-time real estate fraud attorney who started with the office in July 2014. The expanded unit will create a new Real Estate Fraud Task Force that will facilitate community education and outreach and the prosecution of real estate related crimes. The task force will be modeled after existing task forces in other counties that have had success in increasing the number of real estate fraud prosecutions. The task force will be comprised of various stake holders including real estate brokers and sales people, government agencies, and non-profit agencies. The District Attorney's Real Estate Fraud Unit will initiate monthly meetings to allow the task force members to provide information directly to the District Attorney's Office regarding potential criminal investigations.
- The Real Estate Fraud Investigator participated in a multi-jurisdictional investigation, and as a result the Attorney General's Office filed a six defendant criminal case involving an Adverse Possession scheme. The scheme allowed the defendants to seize at least 23 homes in 9 counties. The first victim in this case was a Guadalupe resident whose home was adversely possessed by the defendants. The Real Estate Fraud Unit investigated the case and then coordinated with the Attorney General's Fraud Task Force. The case is currently set for a preliminary hearing in October in Fresno, and the DA's Real Estate Fraud Investigator will be called as the Attorney General's first witness.

- In February 2014, the Real Estate Fraud Unit conducted its first investigation of a “dual tracking case.” In dual tracking cases, lenders claim to be working with homeowners toward loan modifications while simultaneously foreclosing on their properties. This practice is illegal under the California Home Owners Bill of rights which was enacted in 2012 to protect against such practices. Although the particular lender in this case was based in the state of New York, the Real Estate Fraud Investigator successfully contacted the bank’s legal agents, educating them that their actions were illegal under California Law. The bank subsequently stopped the Trustee’s Sale of the victim’s property and began working with the victim on a loan modification.
- The District Attorney’s Office reached out to the community and various professional organizations through numerous radio and television interviews as well as community presentations. For the third year in a row, the Real Estate Fraud Investigator was invited to speak at a tri-county training sponsored by Fidelity National Title where nearly 300 real estate professionals were in attendance. She was also asked to speak at a Real Estate Fraud forum in San Luis Obispo (sponsored by San Luis Obispo’s Real Estate Fraud Advisory Team) wherein 175 community members and real estate professionals were in attendance.
- The Real Estate Fraud Unit continued to partner with various local, State, Federal, and non-profit agencies to educate, investigate, and prosecute real estate related crimes throughout the County.

Case Statistics

- Total number of referrals: 38
- Total number of investigations: 38
- Total number of filed cases: 9
- Total number of victims in filed cases: 50
- Number of convictions obtained in the fiscal year: 1
- Aggregate monetary loss suffered by victims for cases in which there has been an investigation, filing, or conviction: \$13,419,897