



Misrepresentation of Borrower Employment Scheme

Fannie Mae's Mortgage Fraud Program (MFP) alerts the industry to potential and active mortgage fraud scenarios. This alert relates to a scheme involving misrepresentation of borrower employment.

Where?

Southern California, Los Angeles County

Loan common denominators / characteristics

Fannie Mae's Mortgage Fraud Program has identified several entities listed on loan applications as places of employment that appear to be fictitious. The following list contains 34 entities / businesses that were listed as the borrower's purported place(s) of employment but whose existence Fannie Mae could not confirm. This list is as of May 22, 2018, and is subject to change:

A1 Data Programming	E Dalewood St	West Covina	CA
AMR Global Research	Bradley Rd.	Sun City	CA
Axis Programming	Science Dr.	Moorpark	CA
BA Transport	McDivitt Drive	Bakersfield	CA
Bella Donna Academy	Topanga Canyon Blvd	Chatsworth	CA
Bridge Worldwide Financial	Agoura Road	Calabasas	CA
Buenaventura Construction Group	Westinghouse Pl.	Reseda	CA
Calimex Distributors	Laurel Canyon Blvd	Sun Valley	CA
Camarillo Home Healthcare	Sherman Way	Reseda	CA
Cayton Systems	Ventura Blvd	Encino	CA
Civa Home Solutions	Ventura Blvd	Encino	CA
Concord Concrete	Parthenia St	Northridge	CA
Core Natural Beauty Products	Constellation Rd	Valencia	CA
Dataplus Communications	Eton Avenue	Chatsworth	CA
Direct Choice Financial	N. Sepulveda Blvd	El Segundo	CA
Elite Restaurant Management	Colorado Blvd	Los Angeles	CA
Emtron Software Developers	Science Dr	Moorpark	CA
EZ Maintenance	Owensmouth Ave	Granada Hills	CA
Green Energy Development	Sherman Way	Reseda	CA
Jana Collins Cosmetics	Comanche Ave	Chatsworth	CA
LA Best Restaurant Group	Lurline Avenue	Chatsworth	CA
Master & Media	Riverside Dr	North Hollywood	CA
Med Plus Medical Billing Services	Green Valley Circle	Culver City	CA
MJ Home Health Services	Ventura Blvd	Tarzana	CA
OC Media Developers	Main Street	Irvine	CA
Ocean Trade Imports and Exports	W Ocean Blvd	Long Beach	CA
Ontic Global	N. Brand Blvd	Glendale	CA





Pacific Logistics International	S. Eastern Ave	Commerce	CA
Power Pack Consultants	Wilshire Blvd	Los Angeles	CA
Prime Medical Group	La Venta Rd	Westlake Village	CA
Sentryx Media & Motion Pictures	Eton Avenue	Chatsworth	CA
Shield Technologies	W. Olive Avenue	Burbank	CA
Tech Direct	Mason Avenue	Chatsworth	CA
USA Extended Auto Care	Ventura Blvd	Encino	CA

Red flags

- TPO / broker loans
- Originated 2015–2018 (present)
- Employment (occupation) does not “sensibly” coincide with Borrower’s profile (age or experience)
- L.A. County, CA (geographic common denominator)

What can lenders do?

Prudent origination, processing, and underwriting practices should include looking for red flags in the loan documents that raise questions about the transaction. Verify that the borrower’s place of employment actually exists and obtain supporting documentation. If one of these entities is disclosed as the borrower’s place of employment, exercise due diligence in reviewing the entire loan file. Lenders must exercise caution in these situations and take appropriate steps to prevent the institution from being the victim of fraud.

If suspicion of fraud exists

- Follow established policies and procedures within your organization and the *Fannie Mae Selling Guide*.
- Follow the “Report Mortgage Fraud” instructions on the [Mortgage Fraud Prevention web page](#).

More general steps lenders can take to detect and prevent fraud

- Know your third-party originators/brokers.
- Be “fraud smart” by educating your staff.
- Establish a zero tolerance fraud policy.
- Share information.
- If the loan doesn’t make sense, don’t do it!
- Report any suspicious activity through established channels.

Watch for further “Fraud Alerts” and potential updates to this fraud ring by monitoring the [Mortgage Fraud Prevention web page](#).