

Chicago Tribune

Chicago, IL

Published: Daily

Circ: D-579,079

Su-957,212

AUG 6, 2006

# Fraud makes all in realty 'sitting ducks,' expert says

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In a scene repeated daily throughout the state, a home buyer walks into a title company to close a real estate purchase and is handed a report.

The document confirms for the buyer who the true seller of the property is. Based upon the report, the buyer can obtain a kind of insurance policy for compensation if something irregular comes up later, the seller having missed a real estate tax bill, for example.

But increasingly, title companies and real estate lawyers are confronted by fraud in real estate deals, experts say.

"The whole industry never saw this stuff before," said John G. O'Brien, chairman of the Illinois Real Estate Lawyers Association.

As land thefts from churches uncovered by the Tribune show, title companies can be fooled into issuing insurance.

"Now that we have true criminals in this, it is difficult to see this coming," O'Brien noted. "Title searchers haven't, until recently, been trained [to detect] forgeries," he said. "We are all just sitting ducks."

Former Berwyn attorney Phillip Radmer was indicted in July on 28 counts that accuse

him of theft and organizing a financial scheme to steal land.

Authorities allege that Radmer used a series of phony buyers and documents to deceive potential buyers of the land.

Such actions, O'Brien noted, gave the transaction authenticity and made it "pass the smell test." Many title companies are loath to discuss practices, he noted, because it gives crooks the manual for "how to make the bomb."

O'Brien, a board member at Attorneys' Title Guaranty Fund Inc., and August Butera, its senior vice president and general counsel, describe recent title company payouts as "horrific."

Butera said that years ago, many claims were the result of the title company missing a failed real estate tax payment.

Now, because of fraud and increasing property values, a title failure can cost several hundred thousand dollars, Butera said.

The industry is getting "better at catching" the fraud, but there are practices "you could never catch," he said.

Butera and others in the industry meet four to eight times per year to discuss trends and ways to foil the illicit practices.

"There is no end to what people are doing in this business today," he said.

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