



Alan Grayson
Congress of the United States
8th District, Florida

October 14, 2010

Robert S. Mueller III
Director
Federal Bureau of Investigation
935 Pennsylvania Avenue, NW
Washington, DC 20535

Robert O'Neill
U.S. Attorney
Middle District of Florida
400 North Tampa Street, Suite 3200
Tampa, FL 33602

Dear U.S. Attorney O'Neill and Director Mueller,

When it comes to foreclosures, there is mounting evidence of a state of rampant lawlessness in Central Florida. There are increasing signs that big banks routinely evade laws meant to protect homeowners, in many well-documented cases of 'foreclosure fraud.' Despite the demonstrated existence, for instance, of 'robosigners' signing affidavits attesting to documents that they have never seen, the parties engaging in such misconduct are not being brought to justice. Big banks are mischaracterizing this as mere 'technical problems,' and apologizing only where there is clear and very public evidence of harm.

It is not enough for big banks only to apologize for fraud, perjury, and even breaking and entering – when they are caught. It is time for handcuffs. Fraud does not become legal just because a big bank does it.

On September 20, 2010, after my office found evidence of systemic foreclosure fraud perpetrated by big banks and foreclosure mills, I called for a halt to illegal foreclosures.

Since then, big banks such as Bank of America, JP Morgan Chase, GMAC, PNC and others have suspended foreclosures or foreclosure sales. These banks are still claiming that the massive fraud they have perpetrated amounts to nothing more than a series of technical mistakes. This is absurd. This is deliberate, systemic fraud, and it is a crime.

To give but two of the many available examples, attached is a deposition from an ex-employee of one of the largest 'foreclosure mills' in the state, the Law Offices of David Stern. In it, this employee testifies under oath that it was routine for that office to falsify documents regarding military records, in order to move foreclosure cases along more quickly.

The local media has reported on the case of Nancy Jacobini; a contractor for JP Morgan Chase broke into her home after the bank mistakenly foreclosed on it. JP Morgan Chase 'apologized' for terrifying her. But we do not have an apology-based legal system; we have a system of laws. I am writing to ask you to enforce them.

The organized and systematic manufacturing of falsified documents to deprive people of their homes is not only a threat to the integrity of the legal system. It also aggravates and extends the weakness in the housing market. Who is going to feel comfortable buying a home if a big bank can simply take it, whether or not that bank has a right to it? Given the securitization of mortgage-backed securities, this misconduct is a threat to our securities markets as well. But fundamentally, this is a question of protecting basic property rights – if you don't own it, then you shouldn't try to take it. Without clear property rights, and a legal system that insists on clear proof of those rights before transferring ownership by force, the economy will fall apart.

If perpetrators of perjured affidavits and other systematic criminal activity can get off simply with civil liability – or even less, an insincere bureaucratic apology – the freedom that Americans enjoy will erode quickly in the face of lawless seizures of property. I appreciate your work on the joint Middle District of Florida's Mortgage Fraud Initiative, and respectfully request that the efforts of your offices turn towards reining in this rampant criminality.

Regards,



Alan Grayson
Member of Congress