Agent who ran mortgage fraud scheme gets 6.5 years in prison

A California real estate agent who sold homes with unpaid mortgages to unsuspecting buyers has been sentenced to more than six years in prison.

Back in 2017, 70-year-old real estate agent Robert Jacobsen pleaded guilty to running a loan scheme in which he sold two houses to buyers who did not know about the properties' unpaid mortgage liens.

On Tuesday, federal court sentenced Jacobsen to 78 months in prison for one count of wire fraud and one count of carrying out a financial transaction with illegally obtained funds.

As part of the scheme, Jacobsen created a sham company called the American Brokers' Conduit Corporation, purposefully made to resemble the bankrupt American Brokers' Conduit. Jacobsen then used intermediaries to gain control of homes with mortgage liens from the real loan company and instructed other people to sue his fake company in court.

By getting lawyers to enter into agreements with the other side (which Jacobsen also controlled), the real estate agent got the courts to declare liens that had been sold to financial companies. In this way, any title searches done on the homes would come out clear.

Through such a scheme, Jacobsen was able to sell two homes, one for $540,000 in Danville, California, and one for $1.2 million in San Francisco and use the money to buy more properties and a $475,000 yacht.

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After attempting to sell a third home for $3 million, Jacobsen was indicted on thirteen counts of wire fraud by a grand jury in 2015. As part of his plea deal, 12 of the wire fraud charges and eight financial transaction counts originally included in the indictment were dropped.

After he serves his prison sentence, Jacobsen will also have to go through three years of supervised release. While Jacobsen has already forfeited the yacht, ruling judge Maxine Chesney also scheduled an Oct. 17 hearing to determine further restitution to the fraud victims.

Just last week, another real estate company owner in Arizona was indicted on charges of forging lien releasing documents in order to tap the equity on a series of homes.

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