

# GOVERNOR RICK SCOTT

## WEEKLY EOG AGENCY REPORT

### OFFICE OF FINANCIAL REGULATION

WEEK ENDING August 23, 2012

#### Successes for Week Ending August 23, 2012

##### 1. Licensing and Registration

The Division of Securities received 919 applications, approved 859 applications; and 11 applications were denied or withdrawn.

The Division of Consumer Finance received 835 applications, approved 874 applications, and 19 applications were denied or withdrawn.

##### 2. Enforcement Results

###### Investment Fraud

On August 17, 2012, Alipio Estruch was convicted after a trial in state court of one count of grand theft and one count of organized scheme to defraud. The jury found that from January 2010 through June 2010, Estruch solicited \$53,400 from six investors nationwide to purchase precious metals. The victims were solicited through telephone cold calls from Estruch and others in his boiler room. Estruch and others told the investors they could make a lot of money if they purchased gold and silver bullion. The investigation determined that precious metals were never purchased and instead, Estruch used investors' funds for his own benefit.

###### Mortgage Fraud

On August 20, 2012, eight persons were sentenced as part of a complex, \$10.2 million mortgage fraud scheme. The joint OFR/FBI investigations revealed the defendants, many of whom are from Trinidad, committed mortgage fraud in Broward, Palm Beach, Miami-Dade, Collier, Polk, and St Lucie counties, leaving most of the homes purchased in foreclosure. The fraud ring identified residential properties to be purchased and then conspired with a loan processor, a bank employee and multiple straw buyers to submit loan applications containing grossly inflated statements of the loan applicant's earnings and employment to lenders. The case was unique in that the straw buyers, who are not commonly charged, were sentenced to terms ranging from 26 to 33 months in federal prison.

#### New Issues

##### 1. Continuity of Operations

The OFR Emergency Management staff are participating in the briefings at the State Emergency Operations Center (SEOC) in preparation and support of the Republican National Convention and Tropical Storm Isaac. The OFR will continue to support the efforts of the SEOC for both of these priority activities.

Additionally the OFR Interim Commissioner, Linda Charity, issued a [proclamation](#) authorizing state, national, and federally chartered financial institutions located in areas adversely impacted by emergency security measures of the Republican National Convention to close or remain closed from Friday, August 24, 2012 at 6pm EDT until Friday, August 31, 2012 at 6pm EDT.