CASE STUDY — PUBLIC CORRUPTION & FINANCIAL CRIME

VALID8

FOLLOW THE MONEY

Tracing $1 million in stolen foreclosure funds across 13 accounts

When a disbarred attorney filed false court documents to steal residual foreclosure fund sowed to former homeowners, the Las Vegas Metropolitan Police Department had to separate illicit deposits from legitimate income across 13 accounts and 23,500+ transactions. Valid8 turned subpoenaed PDFs into analyzable data in a fraction of the usual time.

TRANSACTION VOLUME REVIEWED — 23,500+ TOTAL · 1 SQUARE ≈ 1,700 TRANSACTIONS

1,400+ INTER-ACCOUNT TRANSFERS TRACED

50+ ILLICIT RESIDUAL-FUND DEPOSITS ISOLATED

THE SITUATION

Under Nevada law, when a foreclosed property sells for more than is needed to satisfy the mortgage, arrears, and legal fees, the surplus must be returned to the former homeowner. A large national foreclosure firm operating in Clark County frequently held such residual funds, often unable to locate borrowers who had died, been evicted, or relocated.

A licensed attorney mined public records to find completed foreclosures with surplus funds, then falsely claimed to represent the borrowers — sending demand letters where the firm still held the money and filing motions where funds had gone to the court. **None of the borrowers had hired him or even knew the funds existed.**

The scheme surfaced when he filed a competing motion just as a genuine homeowner retained their own attorney. The court enjoined the funds, the suspect invoked the Fifth Amendment, and the State Bar permanently disbarred him. A criminal complaint followed.

THE CHALLENGE

The suspect moved money through six business accounts (including IOLTA and operating accounts) and seven personal accounts. Across them sat more than **23,500 transactions** and over **$7.5 million in deposits**, so illicit residual funds had to be separated from legitimate income.

He also made more than **1,400 transfers between his own accounts**, making the money exceptionally hard to follow — and following it was essential to rule out that any stolen funds had reached the true owners. Each fraudulent deposit also had to be tied to a specific property.

AT A GLANCE

MATTER

Theft of residual foreclosure funds & filing false documents — Clark County, NV

AGENCY

Las Vegas Metropolitan Police Department — Criminal Intelligence Section, Public Integrity Squad

SCOPE

13 accounts (6 business, 7 personal) · 23,500+ transactions · $7.5M+ in deposits

OUTCOME

24 felony counts · guilty plea · 3–8 years in state prison

$1,000,000

in stolen residual foreclosure funds across more than fifty properties.

HOW THE TEAM WORKED THE CASE

Senior Investigative Analyst Colin Haynes, CFE, subpoenaed the suspect's law-office and personal bank accounts, the foreclosing company's files, and the court records, then located the homeowners the suspect claimed as clients. Valid8 was central to making sense of the records:

Rapid PDF ingestion

Subpoenaed bank data was converted from PDF into analyzable form, compressing what is normally the slowest part of the work. The pattern of residual-fund deposits became clear.

Transfer matching

Valid8's transfer-matching traced money through the high volume of inter-account movement. Which was critical across 1,400+ transfers between the suspect's own accounts.

Income categorization

Categorizing income isolated the residual foreclosure funds from the rest of the suspect's legitimate deposits, separating illicit money from $7.5M+ in total inflows.

Expenditure breakdown

A standardized breakdown of spending established where the money went and confirmed whether any reached the true owners — which, apart from a case or two, it never did.

WHAT THEY FOUND AND WHERE IT LED

- **50+ deposited checks** carrying information consistent with residual foreclosure funds, totaling nearly $1 million over two years
- Each deposit linked to a **specific foreclosed property**, with the same false representation confirmed in every case
- Indicted on **24 felony counts** — 10 theft, 11 filing false documents, 1 perjury, 2 forgery
- Pleaded guilty; sentenced to **3–8 years** in state prison with **$200,737.88 in restitution** to 10 victims

"The biggest difference was speed and clarity. Getting the records into analyzable form quickly is what allowed the pattern to emerge — and matching transfers turned thirteen disconnected accounts into a coherent account of where the money came from and where it went."

— COLIN HAYNES, CFE
SENIOR INVESTIGATIVE ANALYST, LVMPD

THE PATTERN HOLDS ACROSS CASES

This investigation is one in a line of matters where verified data changed the economics of the work.

HOLLYWOOD STUDIO · CHAPTER 11

Liquidating trustee Brandlin & Associates — working with limited estate funds — used Valid8 to reconcile **8,500 transactions** within hours of upload and identify **$4.5 million in fraudulent transfers** in days. Work estimated at hundreds of hours over months took roughly ten hours, and the client approved a second phase.

SOMERSET CAPITAL · CANNABIS RECEIVERSHIP

The same approach works outside of court. Where Chapter 11 wasn't an option, Valid8 extracted and reconciled boxes of documents across multiple entities, its transfer algorithms **surfaced undisclosed assets**, and attorneys settled the case quickly without complex litigation.

See How Valid8 Works on Your Next Case

Extract, verify, analyze, and visualize financial data, all in one platform. That's Verified Financial Intelligence.

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