



MADERA COUNTY GRAND JURY

P.O. Box 534, Madera, CA 93639

559.363.8785



Needed: Stronger Protections Against Property and Title Fraud

05/01/2025

2425-08

2024-2025 Madera County Grand Jury

SUMMARY

Vulnerabilities are evident throughout California and serious land and property title fraud is the result. The process of recordings of property titles and the effectiveness of safeguards are key actions to protect property rights. Fraudulent practices, including forged deeds, fake liens, and falsified loan clearances, pose a significant threat to property ownership and can lead to costly legal troubles for unsuspecting owners.

As of January 2025, Madera County did not have an electronic and/or written notifications process to notify property owners leaving property owners in potential danger regarding property ownership. Many property owners are unaware that their rights could be at risk without a local security alert system or processes in place. Imagine discovering that your property is jeopardized by administrative oversights, unclear regulations, or fraudulent activities. Without an immediate notification process, legal and rightful owners could be devastated by loss of property, costly legal battles, or financial instability.

BACKGROUND

In California, property fraud is rampant, employing common tactics including forged deeds, fake liens, and fraudulent loan clearances. Alarming, cases in Madera County have risen with reconveyance loans, reporting title changes and walk-in recorded records as the only process to see property changes. The lack of a system to notify property owners when these unauthorized changes occur leaves residents vulnerable to losing property rights or facing unexpected financial liabilities without warning.

METHODOLOGY

Reviewed:

- Interviewed key County personnel
- The website of the Madera County Clerk/Recorder/Registrar and office postings [California's explosion in real estate fraud hits home | Opinion](#)
- [Consumer - County Alerts](#)
- [Property fraud prevention program | Placer County, CA](#)

- [Placer](#)
- [Fraud Notification Program | Contra Costa County, CA Official Website](#)
- [OWNER ALERT](#)
- [CONSUMER ALERT: What Should You Do If You Learn that a Forged and/or Fraudulent Deed Has Been Recorded Against Your Real Property](#)
- <https://www.pymnts.com/study/reframing-anti-fraud-strategy-modernization-risk-managem-ent-b2b-ap-ar/>

DISCUSSION

With increased frequency in California, when a deed or title is forged, liens are placed on a building or structure, or a lender's recorded security agreement eliminated, other fraudulent schemes place property owners at significant risk. With forged documents, fake deeds can facilitate transfer of ownership without the real and legal owner's knowledge. When a property owner discovers a forged or fraudulent deed on owned property, immediate action is essential to safeguard those property rights. By impersonating the seller, scammers have enriched themselves by posing as owners to sell mortgaged properties they do not own. Advances in technology, especially artificial intelligence, has made processes easier for criminals to create realistic fake identities, thus posing an ever-greater threat to property owners.

Vulnerable populations, including seniors with substantial home equity and absentee owners of vacant properties, face a higher risk of property fraud. Recognizing this, some California counties offer monitoring services to alert property owners of activity. Unless Madera County adopts a notification process, property owners are strongly advised to regularly check property records and consider identity protection services to prevent the misuse of personal information in fraudulent transactions.

According to the real estate industry, California provisions of Penal Code Section 115 prohibits filing forged documents, and Civil Code 2945.4, targeting foreclosure fraud, seeks to curb property fraud. Penalties can include imprisonment and fines. Despite these regulations, property fraud remains a serious challenge, evolving with new tactics that test the resilience of property owners and law enforcement alike. By staying vigilant, utilizing monitoring services, and understanding legal rights, property owners can better deter or defend against risks. Madera

County should also take proactive measures to protect property ownership from this increasing threat to property security and ownership integrity.

Examples of fraudulent activities are numerous. Activity is typically characterized by using the following fraudulent maneuvers:

- A deed or title is forged or transferred by a third party (can often be a family member or associate) without the knowledge or consent of the rightful owner by using falsified identification, notary stamps and/or signatures.
- A lien is placed on a building or structure when no fees have been legitimately incurred costing the owner thousands of dollars to resolve any attempt to sell or lease the property.
- A fraudulent lien discharge - a lender's recorded security agreement for a loan may be eliminated by falsified documentation that claims payment of the secured debt, permitting another loan to be illegally acquired.

As of January 2025, Madera County Recorder's Office lacked a mechanism to effectively combat property fraud alert detection for rightful owners.

Publications relative to property fraud, awareness, and the necessity for alert systems to safeguard property owners are linked below.

Most importantly, the Madera County Clerk-Recorder currently offers no alert programs to notify property owners of potentially fraudulent activity and offers limited information by accessing the following:

- Self-Service - <https://maderacountyca-web.tylerhost.net/web/>
- Madera County, CA Property Records - <https://maderacountyca-web.tylerhost.net/web/>

Furthermore, the information provided by the County Recorder's Office on the website (<https://www.maderacounty.com/government/county-clerk-recorder-elections/county-recorder>) is missing a critical safeguard, property fraud alert notifications. According to the County Recorder's Office, documents and maps are recorded and filed and cross-reference and indices are

maintained for records. Document tax transfers are collected on transfers of real property. Types of records which are typically recorded include:

- Real property records – deeds, leases, notices of completion
- Financing documents – trust deeds, notices of default, re-conveyances, financing statements
- Maps – subdivisions, parcel maps, surveys
- Mining claim records – notices of location, proofs of labor
- Military discharge papers
- Declarations of homestead
- Mechanics' liens
- Tax Liens - County, State, Federal

In contrast, as of January 26, 2025, the following counties in California offer electronic and written notification processes (Consumer - County Alerts <https://dre.ca.gov/consumers/CountyAlerts.html>):

- [Calaveras County](#)
- [Los Angeles County](#)
- [San Diego County](#)
- [Contra Costa County](#)
- [Placer County](#)
- [Riverside County](#)

FINDINGS

F1. The Madera County Grand Jury finds that the Madera County Recorder's office lacks notification procedures protecting against property fraud, leaving property owners at risk as discovered in the below links:

- County Recorder Annual Statistical Property Report Calendar Year: 2023 - [638400447691530000](https://www.maderacounty.com/CountyRecorder/AnnualStatisticalPropertyReport/2023/638400447691530000)
- Madera County Clerk-Recorder - <https://maderacountyca-web.tylerhost.net/web/>
- Madera County Fraud Tips - <https://www.maderacounty.com/Home/Components/News/News/159/>

RECOMMENDATIONS

R1. The Madera County Grand Jury recommends that the Clerk-Recorder's Office, within an established timeline - develop, test, and implement an electronic and written notification system to alert property owners of any documents submitted, recorded, or filed against their property.

Additionally, in alignment with practices adopted by other California counties mentioned in the above discussion section, the Clerk-Recorder's Office should:

- Offer alerts for property and identity protection
- Conduct regular reviews of property records
- Require valid identification for all document recordings

Examples of Issues Needing Addressed:

Forged Deeds & Unauthorized Transfers: Implement stricter verification protocols for deed and title transfers to prevent unauthorized actions by individuals using falsified identification, notary stamps, or forged signatures.

Illegitimate Liens: Establish rigorous lien verification procedures to prevent fraudulent liens with no legal basis, protecting property owners from costly legal disputes.

Fraudulent Loan Clearances (Mortgage Re-conveyance Fraud): Implement safeguards to prevent manipulation of loan records that falsely show debts as paid, which can enable unauthorized individuals to secure additional loans against a property.

REQUEST FOR RESPONSES

The following responses are required pursuant to Penal Code sections [933](#) and [933.05](#):

Section 933: This section empowers grand juries to investigate and report on the operations of local government entities. By granting this authority, the section promotes oversight, helping to uncover inefficiencies, misconduct, or areas needing improvement. It ensures that public officials and agencies are subject to scrutiny, fostering better governance.

Section 933.05: This section mandates formal responses to grand jury findings and recommendations. By requiring clear and detailed replies, it ensures that public agencies engage with the grand jury's work meaningfully. This back-and-forth exchange fosters accountability, as agencies must explain their actions or justify inaction regarding the jury's recommendations.

To address the absence of a fraud alert program for county residents, the Madera County Grand Jury requests a comprehensive response within 90 days of this report publication.

Required responses within 90 days of this publication:

Madera County Board of Supervisors
200 W 4th St Ste 4,
Madera, CA 93637

Madera County Clerk-Recorder
200 W 4th St Ste 4,
Madera, CA 93637

Publications relative to property fraud, awareness, and the necessity for alert systems to safeguard property owners are linked below.

BIBLIOGRAPHY

- Consumer Alert:
https://www.dre.ca.gov/files/pdf/ca/2012/ConsumerAlert_ForgedFraudulentDeeds.pdf
- AI Is Making It Easier for Scammers to Steal Homes From Their Owners:
<https://www.businessinsider.com/scammers-use-ai-deed-fraud-title-theft-to-steal-homes-2024-10>
- Sample of an alert program for property owners -
<https://www.placer.ca.gov/8322/Property-fraud-prevention-program>
- Sample of an alert program for property owners -
<https://www.contracosta.ca.gov/3467/Fraud-Notification-Program>