

The Palm Beach Post

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A lead foreclosure fraud investigator for the state said she and a colleague were forced to resign from the Florida attorney general's office, unexpectedly ending their nearly yearlong pursuit to hold law firms and banks accountable.

Former Assistant Attorney General Theresa Edwards and colleague June Clarkson had been investigating the state's so-called "foreclosure mills," uncovering evidence of legal malpractice that also implicated banks and loan servicers.

Despite positive performance evaluations, Edwards said the two were told during a meeting with their supervisor in late May to give up their jobs voluntarily or be let go. Edwards said no reason was given for the move.

"It all happened very abruptly," said Edwards, who had worked in the attorney general's office for about three years.

The foreclosure investigations were launched under former Attorney General Bill McCollum, but Edwards said she sensed changes were coming under Gov. Rick Scott and Attorney General Pam Bondi.

"I think they wanted to put people in there that were more in line with their thinking," Edwards said.

Bondi's press secretary said Tuesday that foreclosure investigations are still open and are being personally led or supervised by Division Director Richard Lawson.

"The division has made these investigations a top priority and will continue to actively pursue all of our investigations into foreclosure law firms," said Jennifer Krell Davis.

But Edwards said she was given no time to brief anyone on the investigations and that there were notes that had yet to be transcribed and filed.

Davis said she could not comment on personnel issues when asked about the nature of the resignations.

On May 20, Edwards said she and Clarkson were summoned together to a meeting at 3:30 p.m. and told by Robert Julian, then the South Florida bureau chief for the Economic Crimes Section of the attorney general's office, that they had the opportunity to resign or would be let go immediately. They turned in nearly identical resignation letters that day.

"We had absolutely no idea it was coming," said Edwards, who in an April 22 performance review she provided to The Palm Beach Post was praised by Julian.

"During this interim period, Ms. Edwards has, along with another attorney, achieved what is believed to be the first settlement in the United States relating to law firm foreclosure mills," the review says. "Her work has been instrumental in triggering a nationwide review of such practices."

The Fort Lauderdale-based Law Offices of Marshall C. Watson agreed to pay \$2 million in March to settle the attorney general's investigation.

Clarkson, who is on vacation and could not be reached Tuesday, also received high marks from Julian on a performance evaluation in September, which was obtained through a public records request. She was given "above expectation" or "exceptional" rankings in 14 of 15 categories.

Edwards said Julian has since been placed in another position. A message left at his office Tuesday was not returned.

In sworn statements taken by Edwards and Clarkson as part of their investigation of the Law Offices of David J. Stern, former employees described conditions where signatures were regularly forged on foreclosure documents, paperwork was notarized by non-notaries, and flawed files were hidden from auditors of federal mortgage backers Fannie Mae and Freddie Mac.

Fannie and Freddie subsequently fired Stern's Plantation-based firm, and would eventually stop sending business to two other South Florida firms facing state inquiry.

"I know those two ladies did a yeoman's job, and it perplexed me when they left the office," Josh Bleil, a partner in the Tickin Law Group foreclosure defense firm, said about Edwards and Clarkson. "They were instrumental in creating the Power Point presentation that blew up everything."

Bleil is referring to a 98-page report titled "Unfair, Deceptive and Unconscionable Acts in Foreclosure Cases," which outlines instances of questionable signatures and notarizations, as well as foreclosures filed by entities that might not have had the legal ability to foreclose.

Julian notes in Edwards' April performance review that the foreclosure investigation has faced criticism.

His opponents said McCollum was politically motivated when he issued subpoenas to three law firms in August before the Republican primary. McCollum, who now works for the SNR Denton law firm in Washington, could not be reached Tuesday.

And the investigation has had setbacks. The Boca Raton-based firm Shapiro & Fishman won a ruling in the 4th District Court of Appeal in April to quash its subpoena. The state is not challenging the decision but Davis said the investigation remains ongoing.

In January, Bondi's office told lawmakers in a Senate Banking and Insurance Committee meeting that Florida's foreclosure process is in "total disarray" with a "morass" of fraudulent paperwork.

Committee member Sen. Joe Negron, R-Stuart, criticized suggestions that banks should be pushed to employ foreclosure alternatives such as short sales. He also objected to the term "foreclosure mill" when referring to the state's large law firms that represent banks.

"Foreclosure mill could also be called very busy law firm because you provide excellent service to your clients," Negron said.

Edwards and Clarkson have opened their own foreclosure defense firm based in Hollywood and hope to help homeowners with the knowledge they gained in the attorney general's office.

"It's been a very unexpected change in circumstance," Edwards said.

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