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CHICAGO MAN HANDED 7½ YEARS IN PRISON FOR POSING AS FEDERAL OFFICIAL IN SCHEME TO TRANSFER AREA PROPERTIES HE DID NOT OWN

CHICAGO — A Chicago man was sentenced today to 7½ years in federal prison for posing as a federal government official in a scheme to sell properties he did not own out from underneath the real owners. The defendant, **John Hemphill**, 41, was convicted last August of mail fraud and false impersonation of a federal official following a week-long trial. U.S. District Judge William Hibbler imposed the 90-month prison term and ordered Hemphill to pay restitution of \$166,910 at a hearing today in Federal Court.

The sentence was announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Thomas P. Brady, Inspector-in-Charge of the U.S. Postal Inspection Service; and Barry McLaughlin, Special Agent-in-Charge of the U.S. Department of Housing and Urban Development Office of Inspector General.

According to the evidence at trial, since 2008, Hemphill engaged in a scheme to defraud property owners and prospective purchasers of property by creating and recording fictitious deeds with the Cook County Recorder of Deeds, posing as the property owner selling the property in question. Hemphill typically filed a fictitious deed with the county recorder that purported to

convey title to a parcel of property from its lawful holder to one of Hemphill's businesses, and then filed a second fictitious deed purporting to convey title to the same property from his business entity (the new purported owner) to a third party. Hemphill also falsely represented to prospective purchasers of properties that he and his business entities held title to these properties in their capacity as a "federal receiver" or had other lawful authority to convey the properties to third parties. Under these false pretenses, Hemphill purported to sell these properties to third parties, usually for cash payments.

As part of the scheme, using multiple business names, Hemphill falsely represented that he was an official and/or employee of the United States government, and that his business entities were agencies of the United States government. The business entities that he used in this manner are the "United States Mortgage Release Corp." (USMRC) and the "United States Receivers Caretakers Assn." (USRCA). According to state records, Hemphill was the president of both companies.

In early 2009, Hemphill purported to assume title to the property at 8606 South Stony Island, Chicago, by filing fraudulent documents in the Cook County Recorder's Office. He also purported to sell the property at 5436 South Paulina, Chicago, to an undercover agent for \$6,000. Hemphill was arrested on Oct. 14, 2009, after purporting to complete the Paulina sale at his office, located at 211 East 79th St., Chicago.

According to records and employees of the Cook County Recorder's Office, Hemphill filed dozens of "warranty deeds" or "special warranty deeds" in that office. Typically, one "warranty deed" was filed that purported to convey title in a property from a lawful titleholder to USRCA, and a second "warranty deed" was filed that purported to convey title to the same property from USRCA to a third-party. These "warranty deeds" and "special warranty deeds" were not signed by the grantor or notarized, and the majority of the purported deeds filed by USRCA were stamped as "DONE AT CUSTOMER'S REQUEST" by the Recorder's Office.

Two witnesses at trial — a La Grange police officer and a victim who bought a home Hemphill did not own — testified that when they challenged Hemphill over his fraudulent representations, he produced a bogus badge indicating that he was a federal agent.

The Recorder of Deeds Offices in Cook and Will counties, as well as the State's Attorneys Offices in those two counties, assisted in the investigation. Also assisting were the Chicago Police Department, the Frankfort Police Department and the Illinois Attorney General's Office.

The government was represented by Assistant U.S. Attorneys Matthew Madden and Greg Deis.

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