



Integrity Bulletin

U.S. Department of Housing and Urban Development
Office of Inspector General

Summer 2015

Attention HUD REO Contractors, Property Inspectors, Section 8 Administrators, and Realtors:

Watch out: **Sovereign Citizen Scams**

The U.S. Department of Housing and Urban Development Office of Inspector General (HUD OIG) advises the public on how to recognize sovereign citizen occupation of a vacant property and the use of false deeds to support Section 8 leasing. Avoid putting yourself in danger or accepting fraudulent documents. This bulletin explains how to protect yourself as well as HUD's interests.

What Is the Sovereign Citizen Ideology?

Sovereign citizen groups are loose associations of antigovernment extremists who do not recognize the Federal Government. They believe they are separate or sovereign from the United States and are exempt from Federal, State, and local laws and tax systems. They believe the county sheriff is the supreme law enforcement officer in the land and county clerks or registrars are the only legitimate elected officials. They subscribe to a belief in “common law” and their right to arrest or sue employees of the “illegitimate government.” They are known for filing nuisance lawsuits or liens against individuals who try to stop their schemes, which have involved in lender, credit card, tax, and loan frauds. They make their own driver's licenses and license plates and sometimes attempt to form their own parallel institutions of government. Sovereign citizen encounters with law enforcement and government personnel frequently become confrontational and sometimes turn violent. The most extreme example of sovereign citizen violence was exhibited by Terry Nichols, coconspirator in the Alfred P. Murrah Federal Office Building bombing in 1995. The 2014 standoff between the Federal Government and a cattle rancher in Nevada also involved sovereign citizens and even more radical militia groups. The Federal Bureau of Investigation (FBI) and HUD OIG have noticed a resurgence of sovereign citizen fraud in HUD programs.

What Are the Scams?

Sovereign citizens have been investigated by HUD OIG for not only illegally occupying HUD properties, but also improperly deeding HUD-owned properties to themselves. These groups take advantage of State laws in most States that require county clerks to accept and file any quit claim deed presented to them as long as the forms are properly signed and fees are paid. No proof of ownership is required. It becomes the burden of the true property owner to go to court and clear the title. This process takes time and is costly. While a HUD real estate-owned (REO) property is being used by sovereign citizens, it is not uncommon for the sovereign citizens to change locks and install alarm systems. There are also instances in which a sovereign citizen has rented a HUD REO property to unsuspecting tenants. Over the last 4 years, HUD OIG has presented a number of investigations for prosecution, resulting in 20 convictions and criminal recoveries of more than \$17 million.

Recently, it has come to the attention of HUD OIG that sovereign citizens have begun participating in the HUD subsidized Section 8 Housing Choice Voucher program as landlords, using properties that they do not own. They provide fraudulent deeds to housing authorities to establish ownership rights so they can participate as a landlord.

Sovereign citizens have also been active in foreclosure rescue schemes. Typically, they get defaulted homeowners to quit claim their deeds to them with the promise of stopping the foreclosure. Then they collect monthly payments from the homeowners, promising to return the deeds in the future. Desperate homeowners believe the lies. Eventually, banks evict the homeowners, and they have to contend with severely damaged credit histories.

How Am I Affected?

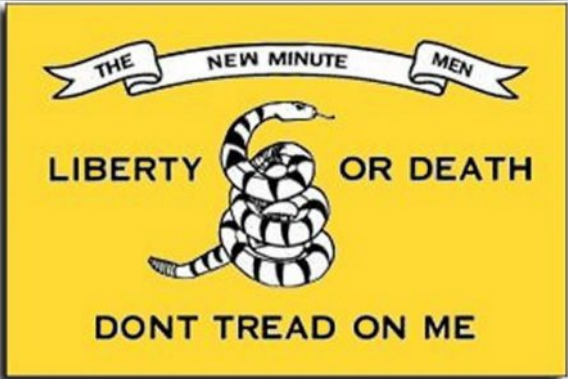
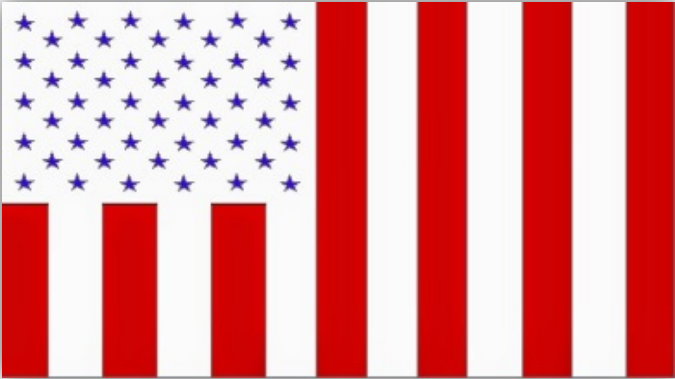
Your duties may bring you in contact with sovereign citizens who may unlawfully occupy houses you inspect or may fraudulently represent themselves as potential landlords for the Section 8 program. Unlike other “squatters,” sovereign citizens may retaliate if you confront them. They often file frivolous liens against you for huge penalties. While in most instances, you can get these claims dismissed, it takes time and money to do so. The claims may affect your credit or delay financial transactions. Further, engaging in a verbal argument with these individuals could spiral into a violent confrontation.

How Do I Recognize Sovereign Citizens?

They use elaborate names and symbols, which could include

- Names spelled in all capital letters or interspersed with colons, hyphens, or other odd punctuation.
- Signatures followed by “under duress,” “Sovereign Living Soul” (SLS), or a copyright symbol (©).
- Personal seals, stamps, or thumb prints in red ink.
- References to the Bible, the Constitution of the United States, U.S. Supreme Court decisions, treaties with foreign governments, or a Uniform Commercial Code (UCC) number (UCC-201).
- The prefix “Noble” or the suffix “Bey” or “El Bey” with their name.
- Brackets around zip codes or other written oddities that can be found in the two reports referenced in this bulletin.

Sample symbols:



A sample fraudulent quit claim deed containing common sovereign citizen changes to documents is shown below. Some identifying information has been redacted or replaced with illustrative data.

50088
00477

Alter recording return for:
[Redacted] Domestic
[Redacted] 30038

FILED AND RECORDED
CLERK SUPERIOR COURT
GWINNETT CO.

Quit claim to himself. Use of UCC number in name

Use of all caps in name

Quitclaim Deed

KNOW ALL MEN BY THESE PRESENTS, **JOHN HENRY DOE** and hereinafter called grantor, for the consideration hereinafter stated, does hereby remise, release and quitclaim unto **John Henry Doe UCC# 3782** (hereinafter called grantee, and unto grantee's heirs, Successors and assigns [Redacted] real property with the tenements, hereditaments and appurtenances thereto belonging or in anywise appearing, situated in GWINNETT County, GEORGIA State, described as follows, to-wit: **2735 SUDBURY TRACE NORCROSS GEORGIA**

All that tract or parcel of land lying and being in Land Lot [Redacted] DISTRICT, GWINNETT COUNTY, being lot 77, [Redacted], Phase 1, as per plat recorded at plat book [Redacted] pages [Redacted] revised at plat book [Redacted] pages [Redacted], Gwinnett County, Georgia records, which recorded plat is incorporated herein by reference and part hereof [Redacted] refer to [Redacted] N [Redacted] W

MAP & PARCEL [Redacted]


To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever. The true and actual consideration paid for this transfer, stated in terms of Lawful Money "U.S. DOLLARS AND CENTS," is **TWENTY-ONE SILVER DOLLARS AND 00/100** Tendered in the form of United States Postal Money Order(s) serial number [Redacted] as payment in full for all existing tax liens and similar encumbrances of Record against the above described property.

TO HAVE AND TO HOLD the said described land and premises to grantee, so that neither grantor nor any person or person claiming under grantor shall at any time, by any means or ways, have, claim or demand any right to title to said land or premises or appurtenances, or any rights thereof.

In Witness Whereof, the grantor has caused its name to be signed and seal affixed by and through its office of records. The tax collection executor of same, duly authorized thereof by the Organic Law of Georgia State, as embodied in the Constitution for same, this 25 day of MAY, 2010

X Elisha Wingard
X UCC-2384

Witness X [Redacted] UCC-2384
Print [Redacted]

(Seal) 

X [Redacted] Notary For Rockdale County, Georgia
X [Redacted] Printed Name
Commission expires: 08-05 2013

[Redacted] Georgia - Grantor

GWINNETT County Court House


PT-61 # [Redacted]
GWINNETT CO. GEORGIA
REAL ESTATE TRANSFER TAX
\$ 0
TOM LAWLER CLERK OF
SUPERIOR COURT

Reference to Organic Law of Georgia

Reference to silver dollars

Witness use of UCC number

Use of a postage stamp in unneeded places



When sovereign citizens occupy a vacant property, they may post a warning notice or deed on the door or window. It is often written in legal gibberish. Examples are as follows:

Regional Organized Crime Information Center
Special Research Report • Sovereign Citizen Movement

Warnings to Law Enforcement Officers Posted on Residences

NOTICE!

TO LAW ENFORCEMENT OFFICERS

Without the occupants permission to enter this building YOU MUST STAY OUT. Though we value your friendship and your service to our community, you are a member of a high-risk group. Current law mandates that we separate ourselves from any individuals likely to have been in contact with illegal drugs. We hate such substances here and have nothing to do with them. The law demands that we take every possible measure to assure absolutely no illegal drug ever be found on this property. In an effort to keep our property free from forfeiture under drug laws, we must demand that before you enter this building, you:

1. Empty your pockets and submit to a complete body search;
2. Assure us you have no drugs;
3. Produce proper ID and be fingerprinted and photographed;
4. Sign our guest register and complete our public servant's questionnaire—listing at least your: full name, social security number, driver's license number, work address & phone number, home address & phone number, the purpose for your visit, and any other of your intentions. We must ask this, in addition to the above, you assure us that you hold us as harmless and forfeit any substance from you or your company while you are on our property. You must give us your personal word that you will not hold us as personally responsible if any illegal drugs are found on the property after your visit. You must be unarmed and anything you say or do will be used as evidence by audio and video recordings.

In any case the occupants reserve all rights, and so demand a neutral non-interested accounting firm physically account for everything being brought into or out of this property in the presence of a notary public. If you are unable to comply with these requirements, you are hereby notified that you will be held responsible for any meeting held on this property.

LEGAL NOTICE

TO FEDERAL OFFICERS OF THE IRS, BATF, FEMA, ENVIRONMENTAL PROTECTION AGENCY AND OTHER UNCONSTITUTIONAL AGENCIES; AND TO ALL LOCAL MEMBERS OF PLANNING & ZONING BOARDS:

WARNING! YOU ARE HEREBY ADVISED OF THE FOLLOWING FEDERAL CRIMINAL LAW –

“IF TWO OR MORE PERSONS CONSPIRE TO INJURE, OPPRESS, THREATEN, OR INTIMIDATE ANY CITIZEN IN THE FREE EXERCISE OR ENJOYMENT OF ANY RIGHT OR PRIVILEGE SECURED TO HIM BY THE CONSTITUTION OR THE LAWS OF THE UNITED STATES OR BECAUSE OF HIS HAVING SO EXERCISED THE SAME; OR

IF TWO OR MORE PERSONS GO IN DISGUISE ON THE HIGHWAY, OR ON THE PREMISES OF ANOTHER, WITH THE INTENT TO PREVENT OR HINDER HIS FREE EXERCISE OR ENJOYMENT OF ANY RIGHT OR PRIVILEGE SO SECURED –

THEY SHALL BE FINED NOT MORE THAN \$10,000 OR IMPRISONED NOT MORE THAN TEN YEARS, OR BOTH; AND IF DEATH RESULTS, THEY SHALL BE SUBJECT TO IMPRISONMENT FOR ANY TERM OF YEARS OR FOR LIFE.”

U.S.C. TITLE 18, SEC. 241

AFFIDAVIT, PROOF OF EVIDENCE
PER C.R.S 30-10-103

Date 5/25/09

I [redacted] the Owner of the Property at [redacted] Bear canyon circle object and rebut, to all that it may pertain too presumptions and utter under color of law, public notices, to color of title that it supersedes the owners verified title, I the Owner of the property claim unclean hands when the public notices ran on the dates of First publication 1/1/2009 and Last Publication of 1/29/2009, legal description LOT [redacted] CHRISTY RIDGE FILING NO. [redacted] COUNTY OF DOUGLAS, STATE OF COLORADO are public utter, slander of title, counterfeit securities, non verified notice of interest, that I [redacted] object and rebut all of your statements, alleged authority to an fraudulent security instrument, a fraud in the indictment, predator loan, annulled note, non verified evidence of debt, unclean hands that I the owner claim, reclaim as verified title holder, affidavit filed for record with Douglas County Courts of superseded contracts as an heir to this seized, temporally escheated property, any rebuttals to stated claims must respond in affidavit form or any and all other actions or claims shall be estoppel and forever barred,

I certify and verify that as the apparent owner with the original receipt of title, claimed /reclaimed as an heir of the King, under penalty of perjury that the above stated claims are true correct and not misleading to the best of my ability,

[Signature]



For more details on recognizing sovereign citizens and their activities, see the FBI's bulletin: [Sovereign Citizens: An Introduction for Law Enforcement](#)¹

How Should I React if I Encounter a Sovereign Citizen in My Work?

If you feel that you are in danger, contact local law enforcement immediately.

If you suspect a sovereign citizen is engaged in a HUD fraud, report the individual to HUD OIG. Provide copies of documents or any information you obtain from the sovereign citizen to HUD OIG. Identifying information (such as name, address, phone number) is most helpful for HUD OIG, but any applications submitted to your office, driver's licenses, deeds, or notices posted on property are helpful as well.

If you see a deed or a warning sign posted on the property, be aware that you may be dealing with sovereign citizens. If sovereign citizens meet you, they will probably warn you that you are trespassing and that you will be penalized. They may demand that you sign an oath or provide written signed proof of jurisdiction or may want to video the meeting.

- Avoid giving or showing identification.
- Do not attempt to debate the sovereign citizen about ownership or your right to inspect as it would serve no purpose.
- Do not take an assertive, aggressive, or threatening posture.
- Do not touch the person as he or she may file assault charges.
- Do not sign anything.
- Leave and report the incident to supervisors and HUD OIG.

¹ http://www.mschiefs.org/wp-content/uploads/2012/05/Sovereign_Citizens_Intro_For_LE.pdf

If a sovereign citizen comes to your offices, follow the advice above and

- Have a staff member notify law enforcement that a sovereign citizen is present and you are going to get him or her to leave as quietly as possible.
- Let the sovereign citizen complete applications so identifying information can be obtained.
- Do not challenge documents, such as quit claim deeds or driver's licenses, which often are issued by the Kingdom of Heaven or a nonexistent government.
- Do not announce any decisions or make any promises. Tell the sovereign citizen that you will contact him or her later.

File a report at HUD OIG's Website (<https://www.hudoig.gov/report-fraud>) or call the appropriate Special Agent in Charge in the Office of Investigations. (<https://www.hudoig.gov/about/where-were-located>)