

New York journalist 'steals' Empire State Building

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'Stolen'...New York's iconic Empire State Building. (*Robert Linder, file photo: www.sxc.hu*)

A New York journalist has gone to drastic measures to highlight the city's property deed fraud "phenomenon" by 'stealing' the city's most iconic landmark - the Empire State Building.

New York Daily News journalist William Sherman 'stole' the landmark skyscraper in a bid to prove there is a loophole in the city's system for registering property deeds, an act that was not discovered until he published it in the paper.

Speaking to ABC Radio National's Geraldine Doogue, Sherman said this type of fraud is a common problem and easy enough to carry out.

So common, he says, that it only took 90 minutes for the ownership deed to be considered genuine.

"The reason I literally stole the Empire State Building was to show how in this country, [there is] this phenomenon where people are drawing up fraudulent deeds on other people's properties. Once they have the deeds they can then obtain a mortgage, which is what they do - and big mortgages," he said.

"Once they get the mortgage money, they open up a bank account under the fake name and take the money out of the account and disappear.

"What I did to illustrate this is chose the biggest and most famous building around and I drew up not just a fraudulent deed, but tax returns on a limited liability corporation (LLC) I created and made myself the principle of [as well as] ... fake federal taxpayer ID numbers.

"I took the information from the real owners' deed and used that to create a new deed with myself as the principle of this limited liability corporation, so I just conveyed the property from its real owners - which is Empire State Associates to my LLC."

And to highlight the lax legality measures, Sherman listed King Kong star Fay Wray and legendary bank robber Willie Sutton as witnesses on the phoney deed - which he says went unnoticed.

"One of the most interesting things about the story is, there is no mandate in the deed recording office for them to check anything, so that's the loophole for the fraud," he said.

"They only check to see if the various fees, like the recording fee, has been filed and check to see if there's a notary stamp on the document. They don't check to see if the notary is real. For example, I just made up a fake notary stamp.

"I was in fact told that with one or two more documents that are pretty easy to make, I could have gotten a mortgage of millions of dollars on the property."

The Empire State Building has since been returned to its real owners, Empire State Land Associates, but Sherman says as a result of his controversial act, changes to the current laws have already been proposed.

"One is to barcode signatures on deeds so they cannot be forged, another is to give title companies and mortgage brokers more responsibility under the law do do more diligence in checking to see if the parties - the buyer, the seller are indeed real," he said.

"An easy way to do it is, if a transaction comes up, to just check with the seller and ask did you really just convey this property and if the person says no, then the jig is up."

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