

The Sun

**Former property title agent pleads guilty to theft of nearly \$1 million from clients, banks
Howard prosecutors seek 9-year term for 'outrageous' greed**

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A former Ellicott City property title agent pleaded guilty yesterday to stealing nearly \$1 million in what state prosecutors said was one of the largest scams of its kind in Maryland history.

Joseph E. Goldberg Sr., 44, showed little expression as he admitted in Howard County Circuit Court to swindling homebuyers and sellers, mortgage companies and banks that conducted real estate transactions through his now-defunct Land Title Research of Maryland.

He also pleaded guilty to failing to file a Maryland tax return in 1994.

Goldberg is to be sentenced in September, and prosecutors want him to spend nine years in jail and pay \$940,267 in restitution.

State guidelines for the felony theft and tax charges recommend a jail sentence of probation to six months in jail. A judge will set the sentence.

The case prompted state legislators in 1995 to crack down on title insurance agents with laws that require background checks, bonding and licensing for directors of title insurance companies.

'Homeowner's nightmare'

"This was just an outrageous example of greed," said Maryland Attorney General J. Joseph Curran Jr. in a prepared statement.

"Imagine being told that you still owed the mortgage on a house you already sold. That has got to be a homeowner's nightmare."

As a title and settlement agent, Goldberg took money from clients and was supposed to act as a middleman, paying the bills to ensure that clients got clear title to their homes.

Instead, he spent their money on himself, prosecutors said.

When Goldberg's company was seized by the state in 1994, the legal ownership of dozens of homes in Maryland was called into question.

Three years later, the majority of Goldberg's flawed settlements have been sorted out and more than \$2 million in claims paid to clients, said Andrew Levy, attorney for United General Title Insurance Co. of Baton Rouge, La., Goldberg's former underwriter.

But Paula Wagner, a 47-year-old Baltimore County schoolteacher, says she lost her life savings and was evicted from her dream house as a result of doing business with Goldberg's company.

Wagner said she gave Land Title Research of Maryland \$77,000 in savings, plus money from a bank loan, to settle on a home in Catonsville.

But the seller's bank never got that money. It foreclosed, and Wagner was forced to move out.

'I lost everything'

"I lost everything," said Wagner, who is suing Goldberg and others in connection with the case. "This was basically all I had. I think that man ought to do at least 10 years in jail."

Goldberg has steadfastly maintained his innocence throughout the case and even hinted that a conspiracy was behind the investigation, bankruptcy records show.

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Yesterday -- with a tanned face and dressed in a blue suit -- he had no comment as he left the courtroom accompanied by his former employee and the state's principal witness, Patricia Horak.

Horak pleaded guilty in January to conspiracy to commit theft after she admitted helping Goldberg cover up shortfalls in the accounts, often holding checks meant to be disbursed until more money came in.

Horak, who court records say lives with her former boss, agreed to cooperate with the government and testify against Goldberg in exchange for a promise that she would not go to jail.

The 21-month investigation by the insurance fraud division of the attorney general's office began after United General Title filed suit against Land Title Research of Maryland in 1994 when it discovered discrepancies during a standard audit.

United General Title officials arrived at Goldberg's office Oct. 14, 1994, to discuss the matter, but he left by the back door and drove away. Yesterday, Goldberg told the court he left because he had called a family meeting to tell his wife and three children that he was in serious trouble.

Goldberg -- once a prosperous businessman who reported an income of \$113,000 in 1992 -- owned three cars, five properties and a personal watercraft.

But in May 1995, seven months after the state insurance commission seized his company, he filed for bankruptcy, claiming he was \$2.7 million in debt with less than \$1 million in assets.

In addition, United General Title Insurance secured a \$2.05 million judgment against Goldberg in federal Bankruptcy Court in Greenbelt last summer.

Public defender

This spring, Goldberg asked the public defender's office to represent him because he could not afford an attorney.

That request was rejected, but Howard Circuit Court Judge Diane O. Leasure appointed a pro bono attorney to represent Goldberg.

Goldberg told prosecutors was so short of funds he paid his previous attorney by giving him his gun collection to sell.

As of April, Goldberg was employed at a landscaping company in Woodlawn, making about \$450 a week, prosecutors said. Neither his position nor his current employment status could be determined yesterday.

James A. Gordon, an attorney appointed at the request of the Maryland Insurance Administration to liquidate defunct company's assets, said Goldberg's former company has 180 more claims against it. They range from cheated clients to a paper clip supplier who was not paid.

Gordon, who has reviewed the company's records, puts the total unaccounted funds at about \$1.5 million -- about \$600,000 higher than the amount to which Goldberg admitted in court.

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