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Western District of North Carolina

FOR IMMEDIATE RELEASE

Friday, July 17, 2020

Brevard, N.C. Woman Is Sentenced To Prison For Selling Fake Title Insurance Policies

ASHEVILLE, N.C. – U. S. District Judge Martin Reidinger sentenced Ginger Lynn Cunningham, 39, formerly of Hendersonville and currently residing in Brevard, to 14 months in prison yesterday, for selling fake title insurance policies, announced Andrew Murray, U.S. Attorney for the Western District of North Carolina. In addition to the prison term imposed, Cunningham was ordered to serve three years under court supervision and to pay \$412,344 as restitution.

According to information contained in filed court documents and presented in court during Cunningham's sentencing hearing, Cunningham owned and operated Blue Ridge Title Company, an independent title insurance agency located in Buncombe County. Beginning in February 2015, Cunningham became an authorized independent agent for Commonwealth Land Title Insurance Company (Commonwealth). As an authorized agent, Cunningham's title agency sold title insurance policies underwritten by Commonwealth and collected premium payments during real estate closings. Under the agreement with Commonwealth, Cunningham's Blue Ridge Title Company would keep 80% of the premium payments, and the remaining 20% would be sent to Commonwealth. On or about March 21, 2016, Commonwealth terminated their agreement with Blue Ridge Title Company, because Cunningham failed to submit premium payments as required to Commonwealth. At the time of termination, Blue Ridge Title Company owed Commonwealth in excess of \$25,000 in premium payments.

According to court documents, from March 2016 until October 2017, Cunningham continued to represent herself and Blue Ridge Title Company to be an independent agent of Commonwealth, despite knowing that she no longer had any relationship with Commonwealth, and continued to sell fictitious title insurance policies and collect premium payments. The buyers of these bogus title insurance policies did not know that they were not underwritten by any insurance provider, and thus had no value. Court records show that Cunningham further deceived her customers by drafting official looking, but fictitious, policy documents that bore the name of Commonwealth

Land Title Insurance Company and fabricated policy numbers. Cunningham kept 100% of the premium payments associated with these worthless policy sales. As court records show, during the relevant time period, Cunningham sold at least 973 counterfeit title insurance policies and received at least \$412,344 in premiums for the bogus policies. On October 28, 2019, Cunningham pleaded guilty wire fraud.

In making today's announcement U.S. Attorney Murray commended the U.S. Department of Housing and Urban Development, Office of Inspector General, the Federal Housing Finance Agency, Office of Inspector General, and the North Carolina Department of Insurance for their investigation of this case.

Assistant United States Attorney Don Gast, of the U.S. Attorney's Office in Asheville, prosecuted the case for the United States.

Topic(s):

Financial Fraud

Component(s):

USAO - North Carolina, Western

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