

Public Counsel Press Clips – December 4, 2012



Ajamu Azibo realized he had a problem when someone filed a bankruptcy in his name. Then he became a victim of another scam: it's called "bankruptcy hijacking," and it's a problem we're seeing more and more these days. Public Counsel's Magdalena Reyes Bordeaux, who directs our Debtor Assistance Project, calls Azibo's case a prime example of how creative some *notarios*, or fake lawyers, have become. "I think for many individuals, they are intimidated by the legal system generally, and there's a lot of advertising out there by notaries...It's only compounded by the fact that a lot of these individuals are friends, maybe friends of family, and so they trust them sometimes more than they trust the legal system."

Immigrants, minorities especially vulnerable to bankruptcy scams

Ruxandra Guidi with Take Two | December 4th, 2012, 9:08am

Software systems engineer Ajamu Azibo seems to have it all. He's young and healthy, with a great job at UCLA, a happy marriage, and dreams of owning a house someday.

But during a coffee break on campus he recalled the day, five months ago, when everything seemed to fall apart. He'd been waiting for a call to hear whether he qualified for a new car loan.

"I was sitting at work; I got a phone call from my car company, from the loan. And they asked me if I planned on going forward with the bankruptcy that I'd filed on June 22nd. This was completely out of the blue, I hadn't gone to the court to file, so I had no idea what they were talking about," Azibo said.

He rushed to the federal courthouse in downtown Los Angeles and asked whether someone had filed for bankruptcy under his name. A clerk handed him a folder with documents containing signatures that were not his.

The report listed that he was single and that he owned a Honda Accord, a property in San Diego and another in Carson. None of that was true. He discussed this with one of the agents at the bankruptcy court-and soon they realized that someone else had filed for him. Unfortunately, the court told him, his case is typical.

Maureen Tighe is a federal bankruptcy court judge for the Central District of California.

"We had a lot of people coming to court saying 'there's been a bankruptcy filed on my name, and I've never authorized the bankruptcy filing. And once you got talking to the person, they usually had some sort of a foreclosure problem. And they had consulted one of these outfits that do loan modifications, or foreclosure rescue," Tighe says.

Azibo hadn't sought a loan modification, or a foreclosure. But he remembers meeting four years ago with a friend of a friend, a man who identified himself as a lawyer. This person suggested that Azibo could solve his money problems by filing for bankruptcy. Without thinking twice about it, he gave the man his name and Social Security number, and the rest is history. No one knows if this same man is responsible for Azibo's bogus bankruptcy filing.

Since the summer, Azibo has become the victim of yet another scam: a bankruptcy hijacking. That's when a third party fraudulently files for a loan, or property, on behalf of someone's bankruptcy case without his or her knowledge. Turns out that somebody dumped eight different properties facing foreclosure on Azibo's open bankruptcy case. That further complicated his financial record.

Magdalena Reyes Bordeaux calls Azibo's case a prime example of how creative some notarios, or fake lawyers, have become. They prey on people's fear or mistrust of the legal system, worries about the expense of hiring a qualified lawyer, and sometimes, cultural and language differences.

Reyes Bordeaux is representing Azibo's case. She's a senior attorney with Public Counsel, a pro-bono law office that handles debtor's assistance programs.

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Reyes Bordeaux says hard economic times have hurt many immigrants, Latinos, and African Americans. They're more likely than others to hire notarios, who advertise their services on Spanish TV or rely on word of mouth to solicit clients.

These unscrupulous bankruptcy petition preparers charge between 200 and 12-hundred dollars for a bankruptcy filing. Many of them fail to fulfill their duties in a timely fashion. They offer questionable legal advice without the benefit of legal training.

These days, Ajamu Azibo is working to get his bankruptcy expunged, so it doesn't remain on his record. He must check his credit report every three months, he says.

"I just look at the potential downsides to all of this, and it's a complete nightmare. I think all I can do at this point is sort of move forward, the best that I can, and take care of things and be as responsible as I can be. I know now that I will never be as trusting as I was in the past-but it is alarming."

The prospects of catching those responsible for his fake bankruptcy filing are very slim, Azibo says. He realizes that thousands of notarios operate in the Southland, and that many people are too willing to accept their bad financial advice.



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