



City of Buffalo

Mayor's Anti-Flipping Task Force



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MAYOR'S ANTI-FLIPPING TASK FORCE RELEASES FIRST YEAR REPORT

Goal is to stop fraudulent flipping from continuing

BUFFALO-Mayor Byron Brown and the members of the Mayor's Anti-Flipping Task Force released today the first year report entitled: **A Plan to Stop Fraudulent Real Estate Flipping Practices.**

"I am extremely pleased with the hard work put forth by the Mayor's Anti-Flipping Task Force," said Mayor Brown. "We have seen the devastation of flipping, especially in Buffalo's poorer neighborhoods. Through the collaboration of the groups that make up the Mayor's Anti-Flipping Task Force, I am confident we have taken the first strong steps to eliminate the practice of fraudulent flipping in our city."

The mission of the AFTF is accomplished through a four-fold effort: to collect and analyze real estate transaction data that reveals trends of flipping and evidence of possible fraud; to investigate complaints of unethical and illegal real estate activities and refer them to professional organizations and law enforcement agencies where appropriate; to evaluate procedures, policies and laws that create conditions conducive to flipping - using this information to develop recommendations to combat this practice and follow the recommendations through to implementation; and to educate real estate professionals, investors, and residents about the harm caused by these practices.

The AFTF achieved significant progress towards meeting its mission during the first year of work. The AFTF:

- Created a 57 member strong collaborative Task Force with government representatives at each level, real estate professionals, building inspectors, community representatives, colleges and universities, and law enforcement;

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- Extended a Herculean effort to collect state, county and city property sales data in order to identify fraudulent property flippers. Simultaneously the AFTF Data Committee analyzed data related to specific complaints of flipping;
- Achieved great strides towards identifying and recommending city, state and federal legislative and policy changes, and modifications to on line internet auction sites to prevent fraudulent flipping;
- Provided information regarding suspect practices to law enforcement representatives; and
- Engaged in extensive educational and public information efforts designed to combat this practice, with 25 occasions of media coverage in the newspaper, television and radio, and a successful professional seminar.

Assemblymember Hoyt states, "This Task Force will aggressively pursue recommendations to reduce property flipping in Buffalo. No longer will unscrupulous investors destroy our neighborhoods."

Some of the AFTF's highest priorities are to:

- Continue efforts to institute changes to City of Buffalo real estate procedures and collection of data;
- Persuade on line internet auction sites, such as eBay, to institute more stringent requirements for sellers involved in real estate transactions. Unbelievably, there are more protections in place on eBay for the purchase of an autographed baseball card than a home;
- Pass the appraisal reporting statute introduced by Assemblymember Hoyt and Senator Stachowski, which will monitor, and thereby encourage, the accurate appraisals of property;
- Expand outreach efforts with a soon to be unveiled website, the second professional seminar, Flipping and Fraudulent Flipping of Real Estate, and continued public and professional education efforts.

"We're already starting to piece together all the things that perpetuate flipping in the city of Buffalo," said New York State Senator Bill Stachowski, co-chair of the Task Force. "We know who is doing it, who is helping them do it, and who is contributing to the problem. Although it is complicated in nature, the members of this Task Force are more than up to the job, and the people of Western New York will soon be seeing some very tangible results."

The AFTF is a collaborative effort, headed by Mayor Byron Brown, co-chaired by Senator William Stachowski and Assemblymember Sam Hoyt, and coordinated by Kathleen Lynch, Esq. from the Western New York Law Center. Since its inception in May 2005, the AFTF has steadfastly progressed towards the elimination of fraudulent property flipping in the City of Buffalo.

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