

# Does the CMBS Sector Have a Fraud Problem?

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Carlton Fields Executive Director – Financial Consulting Services Brian Olasov was quoted in a *National Real Estate Investor* article, “Does the CMBS Sector Have a Fraud Problem?” about the possibility of inflated net operating incomes occurring on CMBS loan originations. Some speculate that the CMBS industry has had troubled loans, potentially leading to reduced debt service coverage ratios and an increase in loan-to-values. Others, such as Olasov, are skeptical. “In the 20-plus years I’ve been an expert witness in CMBS, I can think of very few instances where there is some kind of fraud in the accounting numbers. It is very infrequent,” he said. Olasov confirms that there are checks in place throughout the process, including independent analysis by appraisers, ratings agencies, and securities underwriters. “All of those participants have their own way of looking at, validating and confirming performance information as fed by the borrower.” [Read the article.](#)

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Brian Olasov

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