

Criminals have many tactics used to commit fraud. These criminal actors want to catch you off guard. They are hoping that you are unaware of these scams, and that you are too rushed or pressured to notice when something seems off. If you do sense something amiss, and you begin to ask questions of the purported seller or buyer, they often become belligerent and attempt to bully you into believing them. Do not fall for this. Trust your instincts! If something doesn't seem right, odds are good that you may be dealing with a fraudster.

**SELLER IMPERSONATION:** Seller impersonation is a type of fraud we see most frequently. Historically, it involved criminals targeting unimproved lots with foreign owners, who impersonated the foreign owner in an effort to sell the property. In recent years however, we have seen a trend where this seller impersonation scam is no longer limited to unimproved land owned foreign owners. They are now targeting all properties, even lots that are improved with owner occupied homes, as well and commercial properties.

**EARNEST MONEY FRAUD:** A criminal actor was simultaneously impersonating the seller and the buyer and created a fake contract. The earnest money fraud scenario, involves a purported foreign buyer presenting an earnest money deposit via check drawn on a foreign bank. The amount of this counterfeit check is often in excess of what would be called for in a typical purchase agreement. The fraudster will generally cancel the deal prior to the clearance of the purported cashier's check, and request the agent to wire transfer a refund of the deposit.

**ASSIGNMENTS OF CONTRACT:** A purported buyer assigns their contract to a third party; the contract already being fraudulent. The real titleholders had not contracted for the sale of their property, nor had they even listed the property for sale, yet listings for their properties were posted online. The purported Buyer #1 assigned the fraudulent contract to an unsuspecting third party Assignee and when the true owner of the property confirmed that it was not for sale, Buyer #1 demanded that the Assignee's deposit be paid over to Buyer #1. In this situation, it is unclear whether Buyer #1 was engaging in a fraud against Assignee (either together with or separate from the seller impersonation fraud) or if they were simply an innocent purchaser from a fraudulent seller. This unknown creates a dilemma for the title agent who has received conflicting demands for the escrow deposit.

#### Some things to look for that may indicate fraud:

- A seller that has never met the realtor, buyer, or closing agent in person.
- A seller that insists on only communicating over the phone or by text or email
- A seller with an accent that is inconsistent with the name of the actual owner;
- A seller who can't answer property specific questions, such as when they made specific improvements, or last paid assessments, or what did they like about the property that led them to buy it;
- A seller who returns documents signed from an unexpected location and/or the documents are notarized in yet another unexpected location;
- A Seller who insists on arranging for their own notary;
- A Seller asking for funds to be sent to a bank account outside of the United States;
- A Seller in an awful hurry and becomes belligerent when asked for additional information to verify their identity;
- A buyer presenting a foreign check, especially in excess of what would typically be required as earnest money for the transaction.

If you believe that there has been fraud (attempted or actual) associated with your transaction, notify us immediately. If you encounter fraud of any other type, be sure to notify the authorities:

- Local Police Department/Sheriff
- Federal Bureau of Investigation ICC3: Internet Crime Complaint Center (IC3)
- Secret Service: <https://www.secretservice.gov/contact/field-offices/>