

# TitleTalk

## NEWS YOU CAN USE

MSCTitle

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**Dear Agents and valued customers,**

In this month's newsletter, we offer a real life example of a sophisticated fraud that involved local agents and a vacant lot in Port Charlotte. We'll also provide tips on how to spot such a sham and protect yourself and your customers so it won't happen to you or them.

Sincerely,  
Laura Bowers, Managing Director

## A Widespread, Intricate Scam That Could Happen to Any Real Estate Agent

This is a real life example of what happened.

We received a contract from one of our loyal agents for the sale of a vacant lot which was located in Port Charlotte.

Here's the story: Our team processed the title order as we normally do with any file. In this particular situation, the seller was a foreign person which was pretty evident in the county tax records and property appraiser records. The listing agent did confirm they did not speak very good English and that she had been communicating with them via email as a result.

We were provided an email address to where we were instructed to email the closing documents and correspond with the sellers. This was a quick closing that was to take place within 2 weeks, so our team swiftly prepared the paperwork and emailed it to the "alleged sellers" due to a very tight timeline to get it to closing.

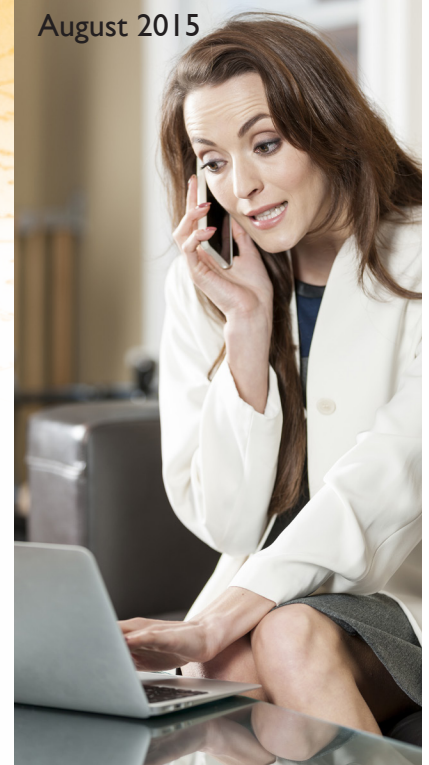
We received the original documents back from China on time and all were in order for our closing. The buyer signed his documents and we were now officially closed. Funds were being disbursed at this point. The agents received their checks and we were to wire funds to the sellers in China. The sellers asked us to wire funds to an account in the name of a different entity in another country. When we

told them we could not do this we informed them we would need wire instructions for their personal account. At this point, our closer was suspicious, so we sent a letter to the sellers in China as shown on the tax records because the sellers had just quit communicating with us via email.

### Now here's where the story gets good.

Once the seller received the letter, they contacted us inquiring what was going on. We told them about the sale of their lot in Port Charlotte and they were, of course, flabbergasted that someone was fraudulently trying to sell their lot.

We asked the seller if they were interested in selling the lot to the buyer who had a contract on it with the fraudster, but they could not come to a meeting of the minds, so the buyer was given the purchase price back BECAUSE HE HAD A TITLE INSURANCE POLICY! We had the buyer deed the property back to the rightful owner and that cleared the seller's title. From there, the agents had to give the commission back. You can imagine the disappointment the agents felt for their customers combined with the act of giving their commission back after all the work they had done.



**Y**ou can imagine the disappointment the agents felt for their customers...

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## So what were the red flags here?

- A foreign seller who owns a vacant lot – these are primary targets for fraudsters.
- The only contact was via email – the listing agent never had a conversation with the sellers nor did she ever communicate by mail. Every communication was strictly done by email.
- The listing price was below the market value.
- We received instructions to wire the funds into the account of a business in another country; this is where we were suspect and refused to wire the funds.



## What are BEST PRACTICES for the Realtor?

- Make sure you contact the seller at the address listed with the tax collector by telephone, mail or express mail. If your seller is an imposter, the true seller will be notified of the scam.

Always listen to your intuition. If it seems too good to be true, it probably is.

**Michael Saunders & Company**  
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