

# TitleTalk

## NEWS YOU CAN USE

MSC Title

Q2 2018 Newsletter



**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

## How to Avoid Common and Convincing Scams

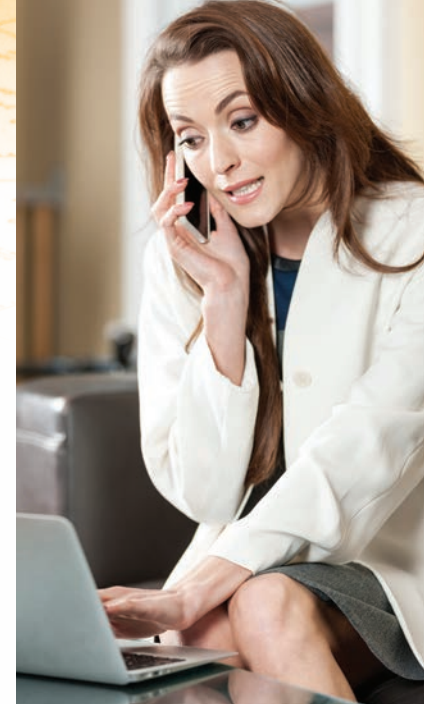
**The below account is a real-life example of attempted fraud.**

When our team received a contract from a loyal agent regarding the sale of a vacant lot located in Port Charlotte, we processed the title order as normal. Realizing we were working with an international seller from China based on county tax and property appraiser records, we were not surprised to hear from the agent that the seller requested email communication to ensure all was understood clearly and correspondence sent in a timely manner. The agent him/herself had been communicating with the seller this way.

This was a quick closing that was to take place within two weeks, so our team swiftly prepared the paperwork and emailed it to the provided email (the "alleged sellers"). All seemed in order for closing. We received the original documents back from China on time, the buyer signed his documents, funds were being dispersed, the agents received their checks and we were ready to wire the funds to the seller.

Suddenly, the seller asked us to wire the funds to a completely different account and entity in another country. Observing the odd nature of the request, we responded that we could not do this and would need wire instructions for their personal account. No response. At this point our closer was suspicious, so we sent a letter to the sellers in China as shown on tax records.

Once the seller received the letter, they contacted us inquiring why the lot was being sold without their knowledge and were, of course, flabbergasted to learn someone had posed as them with the intention of fraudulently selling their property. Although this story did not end in the rightful sale of the lot to the buyer, its happy ending is that the buyer was given the full purchase price back because of the title insurance policy he purchased and was able to deed the lot back to the legal owner. However, you can imagine the disappointment of the agents when they had to give commission back after all the work they had done.



**M**ake sure you contact the seller at the address and number listed with the tax collector by telephone, mail or express mail.

Continues on Page 2

Continued from Page 1

## What were the red flags here?

- A foreign seller who owns a vacant lot – These are primary targets for fraud.
- Email-only communication – The listing agent never had a conversation with the sellers nor did she communicate by mail.
- The listing price was below the market value and a quick closing was requested – The urgency to close and simply obtain any high value from the lot signaled desperation.
- Instructions to wire the funds to another location – This was the biggest red flag of them all, because it meant the true seller may not be affiliated with the communicating party.



## What are BEST PRACTICES for the Realtor?

- Make sure you contact the seller at the address and number 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.

**Michael Saunders & Company**  
LICENSED REAL ESTATE BROKER

MSC Title, Inc. • 40 N. Osprey Avenue • Sarasota, FL 34236 • T: 941.552.5211 • F: 941.552.5210