



VACANT LAND PROPERTY SCAMS ARE ON THE RISE

KNOW THE RED FLAGS

RISE IN VACANT LAND PROPERTY SCAMS

- The U.S. Secret Service, Cybercrime Investigations, has observed a sharp increase in reports of real estate fraud associated with vacant and unencumbered property
- Title agents across the country have also reported an increase in such scams
- Several C.A.R. attorneys on the Member Legal Hotline have spoken with agents who have taken listings on vacant land where the person who signed the listing has turned out not to be the true owner.

HOW THE SCAM WORKS

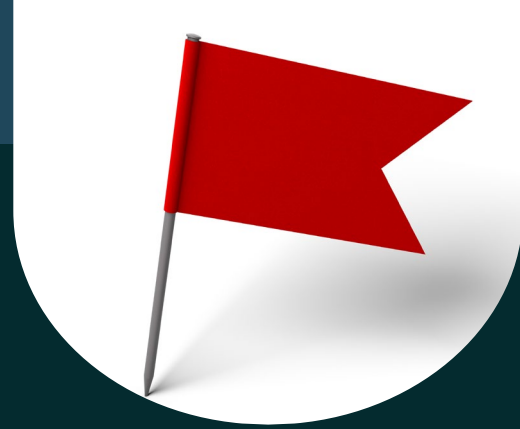
- It is a crime of identity theft, and the criminal will typically...
- Search the public record to find unencumbered property, usually vacant land
- Pose as the owner to sign a listing
- Conduct all communications online and will never meet in person
- Falsify the notary documents



WHAT ARE THE RED FLAGS?

- The criminal will never meet in person, but nearly all communications are online or through text
- Criminals typically target unencumbered property
- Vacant land is usually involved. Otherwise, the chances of the true owner finding out are much higher. The same is true for estate property where the property has not been properly transferred to heirs after the death of the owner
- A new deed may have been recently recorded. This is an effort to erase the prior owner from the trail of communication and keep the scammer from being found out.

WHAT ARE THE RED FLAGS?



- A quick closing is demanded
- In an effort to sell the property quickly, they price the property well under market
- If communication is via phone, the call will come through a burner phone.
- They will refuse to sign in person and will demand an e-notary insisting on their own personally chosen notary or they will simply make the notary arrangements themselves. In essence the criminal is not only impersonating the owner but also the notary and provides falsified documents to the title company

WHAT ARE THE RED FLAGS?



- The closing will be a mail out closing or remote/e-closing, even if the owner resides in the same area as the property.
- They demand a cash close
- The sales proceeds are distributed to a person who is not on title
- It may happen that the true owner will call the listing agent to explain that they are not in fact selling their property

HOW TO VERIFY THE OWNER'S IDENTITY

As the listing agent you'll already know a great deal about the transaction. You'll know if the property is vacant land, part of an estate, whether the property is underpriced and how the seller is choosing to communicate.

But remember that agents have a fiduciary and confidential relationship with their clients. So always tread lightly.



HOW TO VERIFY THE OWNER'S IDENTITY

If the transaction appears suspicious, then an agent may consider taking the following steps:

- Independently search for the identity and a recent picture of the property seller. You may be able to find a picture of the owner or other identifying information that can help you confirm who is the true owner.
- Request an in-person or virtual meeting and ask to see their government issued identification.



WHAT TO DO IF YOU BECOME CONVINCED THAT THE PERSON WHO SIGNED YOUR LISTING IS NOT THE ACTUAL OWNER?

- Discuss the issue with your broker
- your broker may consider cancelling the listing through a negotiated cancellation (You can use C.A.R. Form Cancellation of Listing). This helps to avoid claims of breach of the listing agreement.
- Although your instinct may be to immediately report your suspicions to the police or the title company, you and your broker may wish to consult with an attorney before doing so, to assess possible issues related to confidentiality, fiduciary duty, or other potential legal and risk management issues.
- Any decision to warn others or publicize information about the purported scammer should be made carefully, after close consideration of the specific facts in your situation, and only after consulting with the broker.

ADDITIONAL RESOURCES

- [United States Secret Service Cybercrime Investigations](#)
- [Beware the Vacant Property Scam: Criminals Leave Plenty of Clues - Alliant National Title Insurance Co.](#)
- [District Attorney Urges Real Estate Professional to be on Alert for Criminal by Thieves Pretending to be Property Owners](#)