



The U.S. Secret Service has observed a sharp increase in reports of real estate fraud associated with vacant and unencumbered property. Criminals are posing as real property owners and through a series of impersonations are negotiating the sale of properties which are vacant or lien free. Criminals are using similar techniques that continue to be deployed in real estate specific Business Email Compromise (BEC) schemes, to include open-source research. Visit the Secret Service website for [guides on BECs and other cyber-enabled financial crimes.](#)

the scheme

- ❖ The criminal searches public records to identify real estate that is free of mortgage or other liens and the identity of the property owner. These often include vacant lots or rental properties.
- ❖ The criminal poses as the property owner and contacts a real estate agent to list the targeted property for sale, and requests it being listed below current market value to generate immediate interest.
- ❖ The criminal, posing as the property owner, demonstrates preference for a cash buyer, and quickly accepts an offer.
- ❖ The criminal, posing as the property owner, refuses to sign closing documents in person, and requests a remote notary signing.
- ❖ The criminal (or co-conspirator) also impersonates the notary and provides falsified documents to title company or closing attorney.
- ❖ Title company or closing attorney unwittingly transfers the closing proceeds to criminal.
- ❖ All communication is electronic, not in person.

The fraud is often discovered when recording the transfer of documents with the relevant county. This scheme has particularly affected elderly and foreign real property owners, but it is not limited to these groups, because there are no means to automatically notify the legitimate owners.

Therefore, the burden of verification is on the real estate and title companies.

how to prevent

- ✓ Independently search for the identity and a recent picture of the property seller.
- ✓ Request an in-person or virtual meeting and to see their government issued identification.
- ✓ Be on alert when a seller accepts an offer below market value in exchange for receiving the payment in cash and/or closing quickly.
- ✓ Never allow a seller to arrange their own notary closing.
- ✓ Use trusted title companies and attorneys for the exchange of closing documents and funds.

