

# REALTOR® Safety Series: Scams Affecting REALTORS® and Their Business

Most of us want to take people at their word and believe that they have the most honest of intentions. Sadly, that has never been a totally realistic expectation to have. Many say the problem has increased with the internet, but it may be that the internet has just complicated matters by offering new ways to play old tricks. Most of the following scams you will find on either the internet or in your mailbox.

Many times, the REALTOR® is not the victim directly, but these crimes can tarnish the industry and also compromise the trust of the public. As the country begins to climb out of one of the worst recessions of the last century, we want everyone to have the best possible experience when buying and selling real estate. Part of that is knowing all that can possibly deter that pleasant experience. Read the following for more information and what you can do in the event that you suspect you or your clients are the targets of a real estate scam artist.

**Craigslist Rental Scams:** REALTORS® and their sellers have been increasingly victimized by individuals taking their listings or photos from a website and posting them on bulletin sites to try and secure deposits from prospective renters. The houses may be vacant or owner occupied. Fortunately, people are usually well aware of the scams on bulletin sites and realize a listing for a four bedroom house in an affluent neighborhood doesn't rent for \$500.

If the listing is occupied, the owners can be alarmed if they find people casing their property or looking in their windows to size up the living room. An owner's shaken confidence can

be damaging when a listing agent is legitimately trying to sell their property.

If you find a listing has been hijacked, flag it for Craigslist to remove and if you like, contact the FTC and FBI's Internet Crime Complaint Center.

**Large Homes, All Cash, Quick Escrow...:** You usually lose nothing but time and gain only frustration with deals that seem too good to be true. A prospective buyer claims to have X amount of money, all cash, and needs a quick closing. Everything is perfect until the time comes to submit the earnest money or sign the papers. Always go on instinct and trust your judgment, and get verification.

**Leads for FSB0 Listings:** Someone claims to have connections with frustrated FSB0s who need REALTORS® or have other listing leads. This individual then attempts to sell these names for \$10-15 a head. Usually they claim to get their leads through an affiliation with either a reputable brokerage firm or educational institution. The names are either of FSB0s with no interest in working with an agent or home owners who are not even in the market to sell. Either way, you are still out \$100-150 (these "leads" are often presented as a package deal) with little room for recourse since the situation is hard to prosecute. Always approach such offers with extreme caution.

**Overseas Transactions:** People from overseas purchase property all the time. However, scams originate overseas as often as they do locally. It is always a good policy to enter into transactions with people you can see past an e-mail and with verified funding.

**Real Estate Scam for Lawyers:** Someone will contact a real estate agent expressing interest in a large property. They will then request a recommendation for an attorney to set up a trust for escrow, sending a cashier's check to the attorney for an exorbitant amount of money. After the deal is written,

the scammer then rescinds and requests a refund back when the original check was no good in the first place. This is just a minor twist on the classic confidence scam that can still lead to a very unfortunate outcome.

**Resources:** If or when you have a brush with any of these scenarios, contact your local police department, the Federal Trade Commission, the Better Business Bureau, and your state's Attorney General:

**Oregon:**

Oregon Department of Justice  
1162 Court Street NE  
Salem, OR 97301-4096  
(503) 378-4400  
consumer.hotline@doj.state.or.us

**Washington:**

Washington Attorney General  
1125 Washington Street SE  
PO Box 40100  
Olympia, WA 98504-0100  
(360) 753-6200  
Online Complaint Form

*Next time in our series: Vacants, Squatters, and Occupy Portland.*