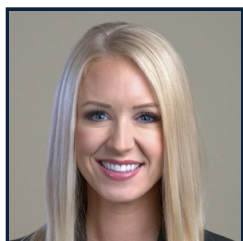


Fraud on Vacant Lands Webinar

hosted by

Karla Staker, Esq.
SVP/State Underwriting Counsel

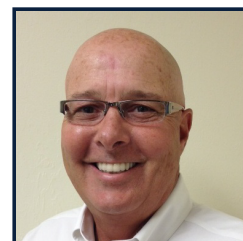
with guest speakers



Jennifer King



Shawn Pugh



David Lanaux

Karla Staker, Esq.

**Senior Vice President
State Underwriting Counsel**



Karla Staker is Senior Vice President and State Underwriting Counsel with FNF Florida Agency in Maitland, Florida. Except for a brief stint in private practice, Karla has been an underwriter with the FNF family of underwriters since 1986.

Karla is board certified in Real Estate Law by The Florida Bar, and earned both her undergraduate and law degrees from the University of Florida. She is active in leadership positions with The Florida Bar and the Florida Land Title Association. Karla is a member of the Executive Council of the Real Property, Probate and Trust Law Section, and Co-Vice Chair of the Section's Title Issues and Standards Committee. She is also Chair of FLTA's Forms Committee.

In addition to lecturing on various aspects of title insurance and real property law, Karla writes for FNF Florida Agency's publications. She is a co-author of UGuide, FNF Florida Agency's online underwriting manual (www.fnfflorida.com).

COMMON “RED FLAGS” OF IMPOSTER POSING AS PROPERTY OWNER

1. The transaction involves unimproved land or property with absentee owners.

Fraudsters impersonating the true owner frequently target these types of properties because they are easy to show to prospective purchasers.

2. The property is free and clear of mortgages.

3. A connection to one or more foreign countries.

Examples: True seller lives in a foreign country, ID presented is from a different foreign country, deed is sent to title agency from a different foreign country, etc.

4. The fraudster only communicates with the title agent, buyer and real estate professional bytext, email or phone, avoiding in-person interaction.

5. The sales price is at a bargain price.

6. The sale is typically a cash transaction.

7. Extreme pressure is put on the title company to close fast.

8. The seller insists on signing the deed outside the presence of the title agent to send to title agent.

9. The name of the seller on the current contract is spelled differently from the name of the record owner.

10. Signatures appear to be different than signatures on prior instruments in the chain of title.

11. No instruments affecting title have been recorded for a long period of time.

12. The seller gives inconsistent information about any aspect of the transaction or the property.

13. The ID presented is a forgery, which may or may not be easy to detect.

14. The seller cannot produce a copy of a prior title policy or closing statement.

2021-09

To: FLORIDA AGENTS & AGENCY OFFICES OF
Chicago Title Insurance Company
Commonwealth Land Title Insurance Company
Fidelity National Title Insurance Company

From: FNF Florida Agency Underwriting Department

Date: November 19, 2021

Re: Fraud Prevention Guidelines

Our Florida agents are experiencing an alarming number of fraud and forgery attempts. Many of these attempts are related to unimproved land and property with an absentee owner, as those properties are easy targets for fraudsters. Properties without mortgages yield higher returns for fraudsters and are therefore also targets. Often, the fraudster pretends to be the true owner of the property and attempts to sell the property and receive the proceeds.

Certain red flags can indicate that a fraudster is impersonating the property owner. Click [here](#) for a non-exhaustive list of red flags appearing in recent Florida fraud and forgery attempts.

When dealing with a property having a risk of fraud, we suggest taking two or more of the actions below to ensure the legitimacy of the transaction. The closing file should be documented to reflect the actions taken.

1. Determine, if possible, that a trusted professional involved in the transaction (attorney, CPA, real estate agent) personally knows the person selling the property. This can alleviate concerns that the seller is an imposter. Detailed information regarding length and history of the relationship with the seller should be provided by the professional to establish that the relationship is based on more than just telephone and email contact.
2. Send a letter to the owner using the address on the property appraiser's website. The letter should include a code or PIN, indicate that you have received a contract for sale of the property and are attempting to verify the legitimacy of the transaction, and ask the owner to contact you immediately to confirm the transaction. Since fraudsters know generally that confirmation letters go out to property owners, a title agent should not accept a simple mention of receipt of a letter as confirmation. When the owner contacts the title agent and mentions the letter, the title agent should confirm the code or PIN that was included in the letter.
3. Obtain a copy of the seller's identification prior to the date of closing and compare the photo and information on the ID (i.e. age, place of residence) to social media or professional pages for the seller. Social media or professional pages that were recently created and/or that show extremely limited connections or "friends" should not be relied upon as they were likely created by the fraudster.
4. Obtain a copy of the seller's identification prior to the date of closing and have a video call with the seller to compare the photograph and age on the ID to the person who appears on the video call.
5. Require the seller to provide two forms of photo identification prior to closing. Ask that they be provided within a short period of time from the request. Fraudsters may have difficulty producing a second form of photo ID in a short period of time.

6. When the seller is signing outside of the title agent's presence but inside the United States, request that the Seller use a notary with Bancserv mobile notary service or another bonded notary.

If the title agent is not able to confirm the legitimacy of the transaction using two out of three of the actions above, please contact underwriting for additional guidance on your transaction.

Additional Fraud Prevention Tool:

If the seller is considered a "Foreign Person" under FIRPTA and any other risk of fraud factor is indicated, it is highly recommended that the agent refer the parties to a third-party specializing in FIRPTA, whether it is a local accountant or a third-party FIRPTA service provider, so that an additional professional service provider's fraud prevention measures are involved.

Thank you for your continued cooperation in combating fraud and forgery.

THIS BULLETIN SHOULD BE RETAINED AND BECOME PART OF THE POLICIES, PRACTICES AND PROCEDURES WITH WHICH YOU ARE TO COMPLY UNDER THE TERMS OF YOUR AGENCY AGREEMENT WITH FIDELITY NATIONAL FINANCIAL.

2022-01

To: FLORIDA AGENTS & AGENCY OFFICES OF
Chicago Title Insurance Company
Commonwealth Land Title Insurance Company
Fidelity National Title Insurance Company

From: FNF Florida Agency Underwriting Department

Date: February 8, 2022

Re: United States Secret Service's Foreign National Real Estate Fraud Bulletin

Attached please find a bulletin released by the United States Secret Service, Orlando Field Office Cyber Fraud Task Force, on February 7, 2022. The bulletin contains important information on detecting and preventing fraud against foreign individuals who own real estate in Florida. The examples of legitimate and fake passports may be particularly helpful when handling a transaction involving a foreign seller.

THIS BULLETIN SHOULD BE RETAINED AND BECOME PART OF THE POLICIES, PRACTICES AND PROCEDURES WITH WHICH YOU ARE TO COMPLY UNDER THE TERMS OF YOUR AGENCY AGREEMENT WITH FIDELITY NATIONAL FINANCIAL.

Foreign National Real Estate Fraud Bulletin

U.S. Secret Service, Orlando Field Office
Cyber Fraud Task Force



How does it work?

Foreign Nationals who own property in the US, specifically in Florida, are having their property fraudulently sold right out from under them. Fraudsters are actively searching multiple county property appraiser's websites for property records that list foreign national owners usually through the owner's address being out of the country.

Once they identify their target, they pose as the property owner and reach out to local realtors to list the property for sale. They provide counterfeit or altered identification (foreign passports/identification cards) to the realtors along with various other documents to include counterfeit "notarized" paperwork from US Consulates or Embassies abroad. The realtors facilitate the sale the property/land and the title company wires out the funds to an intermediary (Money Mule) who then sends the funds overseas most likely through crypto currency or wires.

All of this occurs unbeknownst to the actual property owner until it's too late. The fraudsters choose to pose as foreign sellers because it significantly bypasses stateside identity verification measures, and all business is generally conducted through email without the fraudster never having to physically see or speak to the realtor or title company.



Prevention

Communication is critical, attempt to communicate via phone call, Facetime or Zoom when possible, in an attempt to verify the seller's identity. Fraudsters will refuse to communicate through those means and will deliver nothing but excuses.

- Ask for multiple forms of ID such as a Passport and a National ID.
- When requesting these forms of ID, always request scanned color copies.
- NO COPIES OF COPIES, even if “notarized.”
- ID photographs should be well defined.
- All printed fonts should be clear and legible without any smudges or blurs.
- The passport must be signed.
- If a booklet number is scanned as well, it should match the passport number.

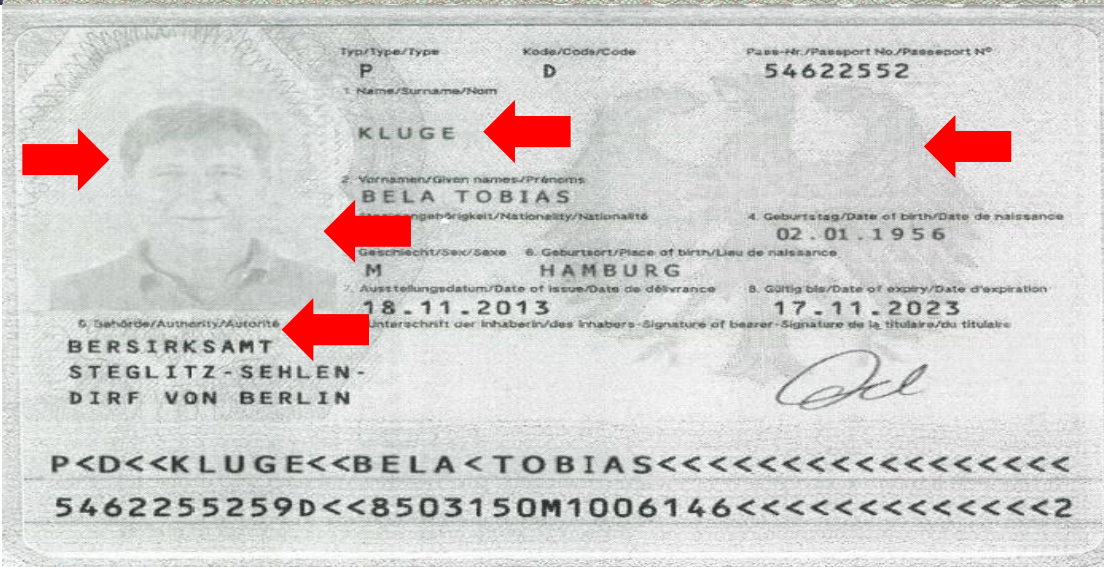


Examples



Legitimate

- Detail, Detail, Detail
- Photo centered and only of face
- All font legible and clear
- Visible security features around photo
- Passport is signed
- German coat of arms is well defined



Discrepancies in the Fake

- Black and White copy of a copy
- Poor quality Photo
- Photo not centered and size of photo is incorrect.
- Inconsistent printing of font
- Faded font for First and Last Name
- No definition in German coat of arms





Discrepancies in the Fake

- Should not see information page along with bio page on scan. New Passport templates do not include this page currently.
- Black and White copy of a copy
- Poor quality Photo
- No visible security features around picture
- Photo not centered and incorrect size.
- Smudged font under photo
- Inconsistent printing of font
- No definition in German coat of arms
- Missing signature



Additional Information or Questions

**U.S. Secret Service Orlando Field Office
Cyber Fraud Task Force
407-648-6333**

**SSA Roger Fuentes
SA Michael Bocan-Collins
CBP EO Javier Mondejar**



ID Checking Websites

idcheckingguide.com redirects to

<https://www.driverslicenseguide.com/>

Prado

<https://www.consilium.europa.eu/prado/en/search-by-document-country.html>

TIN Check

<https://tincheck.com/>

HANDOUT FOR FLORIDA FRAUD WEBINAR

JUNE 21, 2022

Jennifer King
Managing Counsel, VP
Fidelity National Title Group Claims Department

Red Flags of a Fraudulent Transaction:

- All communications in email
- Vacant properties
- Passports and documents notarized in varying locations different from the country of residence of the seller
- Funds wired to a different country than where the Seller is purported to be located
- Foreign investors that have held title for over 5 years, sometimes as long as 30 years
- Names that should raise a red flag:
 - a. Stephen Thompson, Notary in South Africa
 - b. Anuprama Prattipati, Notary at the US Embassy in the Netherlands. According to the detective on Claim 919531, although she is a true notary, her name is misspelled on the notary stamp and she is not actively notarizing documents as she works in upper management.
 - c. Albert Osime as a Witness
 - d. Last name "Klaus" as a Witness

Other Recommendations and Notes:

- Florida Driver's Licenses all begin with the first letter of the individual's last name.
- Close attention should be given to the spelling of the Seller's name on purchase and sale contracts, the passport or drivers' licenses provided, and the email addresses being used to communicate.
- Close attention should be given to vacant land transactions with foreign sellers in Lee, Brevard, and Charlotte County.
- Obtain a statement from the Seller's bank to confirm that it is in the same name as the Seller.
- If red flags are present in the transaction, request a virtual meeting to confirm the identity of the Sellers.
- As a reminder, these appear to be legitimate transactions and realtors and attorneys have been involved, however, additional due diligence may be able to prevent more fraudulent transactions from closing.