



Top Three Reported Scams Targeting REALTORS®

There are several scams that have targeted REALTORS® over the years. The scams described below are the most prominently reported:

Rental Scam

In this scam, the scammer will scrape listing information off of the internet. The scammer will then place an add on an online platform advertising the listing as a rental and claim to be the owner. The scammer typically prays on vacant listings (but not always) and will list a really low rental amount for the area or property in order to incite a sense of urgency with the consumer. They will tell the interested consumer that they are not in the state or country, have the keys and are unable to show the inside of the property and even suggest that they go to the property and look in the windows. They then ask the consumer to wire a deposit or first month's rent right away in exchange for the keys. More recently they are even telling the consumer to ignore the for-sale sign in the yard and to not contact the broker citing some type of disagreement, etc.

If you believe that your listing is a victim of this type of scam, you should first report it to the online platform as a fraudulent listing. You also may want to warn your sellers that this has happened and that it may cause consumers to trespass. You can also file a report with the FBI Cybercrimes Department at <https://www.ic3.gov/default.aspx>.

Wire Scam

In this scam, the scammer will send an email to your client that looks like it is coming from you or the title company with wiring instructions that are fraudulent.

Email accounts can be hacked by scammers through infected files attached to emails. These emails will come unsolicited and either indicate that a closing document of some sort is attached for your review or will come from a prospective buyer stating that they are interested in purchasing a property through you with attachments of financial documents/purchase agreements, etc. Once in, the scammer will watch the email communication between you and your client and know exactly when to strike.

If successful, the scammer has convinced your client to wire the closing funds to the scammer's account and the funds could be lost forever. In very rare situations with early detection, the funds can be recovered.

Here are a few steps that you can take to help reduce your and your client's risk:

- DO NOT open any document attached to an email that you did not expect to receive. If it looks suspect, it probably is. Contact your IT professional before opening any questionable document.
- Communicate to clients your specific procedures in how wiring instructions will be sent. This 2- minute discussion may save you both from becoming a victim. You may want to suggest that they confirm with you or the title company that the instructions are correct prior to sending the wire.
- Contact the authorities immediately upon learning of any scam. As in any real estate transaction, time is of the essence and early detection could make the difference between lost funds and recovered funds. Contact the title company, banks involved and the local FBI office to start the process.

Fraudulent Buyers

In this scam, the interested buyer is usually one that wasn't referred to you from a friend or colleague and has contacted you due to a sign or other advertisement. They will present fraudulent proof of funds and sometime have unusual stories about how they came into large sums of money. These scammers have all kinds of motives for this type of scam but there are ways to protect yourself and your clients from wasting time, energy, and even money.

Be sure to verify all proof of funds and pre-approval letters. Verification can be done whether you're working with a buyer or if you receive an offer with this type of documentation. While banks and lending institutions can't give you specific account information, they can tell you if the documentation is fraudulent. Make sure you use contact information found independently of the contact information contained in the letter.

For more information on scams, you can review the following video produced by the National Association of REALTORS® at <https://www.youtube.com/watch?v=MB7-4PNf9f4>

Reporting Scams to KBOR

To report a scam to KBOR, you can email Michelle at info@kbor.com.