

So, About That Vacant Lot...

CATIC has been vocal about vacant lot scams with our employees and agent base. The reason as to why this topic is heavily discussed in our industry is because of how potentially “easy” this scam is to pull off. Specifically, it is not unusual to see land parcels for sale on the major housing sites of Zillow.com or Realtor.com. In combination with these websites, threat actors will also comb through publicly available records, and they will deliberately flag vacant parcels of land.

They will purport to be the owner of these lots and contact a local real estate agent in the area. In their conversations with these agents, the threat actor will instruct them to list the lot below market value. This is a simple tactic to generate a vast amount of interest. Besides this approach, the threat actor will emphasize a cash deal for the land and all closing procedures must be done remotely and with a remote notary. The threat actors in this scam, dubbed “title pirates,” fake their identities and gather forged deed information to further “legitimize” this scam.

How does this scam get discovered? Unfortunately, many of these vacant lot scams are uncovered too late. The FBI noted that \$396M in losses occurred last year from these scams. Title companies often bear the brunt of financial losses of this fraud should they transpire, while actual property owners can face a legal mess unwinding the fraudulent sale of their land. To avoid being a victim of one of these scams, the FBI has offered several tips for landowners, as well as those in the title industry.

Tips for Landowners

- Set up title alerts with the county clerk’s office, they will email if something comes up. (Not all counties offer this service.)
- Set up online search alerts for your property.
- Drive by the property or have a management company spot-check it.
- Befriend the members of the community or neighbors to warn you if they see anything suspicious.
- Pay taxes through escrow.
- Ask the local police department if they offer checks, alerts, etc. police department if they offer checks, alerts, etc.

Tips for the Industry

- Avoid remote closings, if possible.
- Ask for in-person identity checks. If this is not possible, ask for other video proof of life.
- Ask for a copy of the most recent tax bill or other piece of mail, in addition to an ID.
- Look up the phone number by reverse search or through the phone carrier. Watch for international VOIP.
- Check the email addresses and names. Fraudsters have been known to recycle them.

- Pay attention to the age of the seller, accents, excuses.
- Send a certified letter to the address of record on the tax bill.
- Call verifying public notary to confirm they attested to the documents.
- Spread the word in your professional network to help your colleagues avoid falling for the same scam.

Statistics were derived from [fbi.gov](https://www.fbi.gov).

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