

April 2016

# ChicagoBlog

where we share our knowledge and experience.

## Featured Product

By  CHICAGO TITLE

CHICAGO TITLE  
FARM  
PRODUCTS

## It's Time to Farm.

With the housing market recovery in full swing - there's never been a better time to kick your real estate farm strategy into high gear. Regardless of your geographic area of focus or your preferred property type, a successful real estate farm require proven tools and strategies to identify and build solid prospects. Chicago Title has the technology and tools to help you stay one step ahead of your competition.

**What We Provide:** Search Criteria based on Assessed Land, Assessed Value, Deed Type, Legal Description, Ownership Types, Property Characteristics, Census Tract and Block, Property Use, Sale Price-Prior, Tax Rate Area, Transfer Date, Use Code etc..

**What You Receive:** Available in these options.

1. Labels in format of your choice
2. Electronic File (Excel, CSV or PDF)
3. Printed Single Line Farm Report
4. Printed Full Farm Report
5. Printed Walking Farm with Notes Section

**We can help you strategize your successful real estate farm, contact us today.**

## April Fun Facts & Events

1. April Birthstone: Diamond
2. Zodiac Signs: Aries - 3/21- 4/19, Taurus - 4/20-5/20
3. April Flower of the month: Sweet Pea or the Daisy
4. Fruits for the month of April: Bananas, Kiwi
5. Veggies for the month of April: Broccoli, Cabbage, Cauliflower, Leeks, Purple Sprouting Broccoli & Spring Onions
6. April 1 - April Fool's Day
7. April 13 - Thai & Cambodian New Year
8. April 18 - Deadline to file individual tax return
9. April 22 - Earth Day
10. April is National Arab American Heritage Month

## ESCROW CORNER

### Don't mess with us!

On January 20, 2016, the county manager of our sister's company in Flathead County, Montana operation received an email request for escrow services on a purchase transaction. She forwarded the message to Michael, an escrow officer with one of the Montana office.

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## DON'T MESS WITH US...

Michael responded to the message and requested a copy of the purchase and sale agreement. The next day, Michael received an email from the buyer who purported to be from Bethlehem, Georgia with a signed Real Estate Purchase and Sale Agreement and Escrow Instructions for purchase of property in Kalispell in the amount of \$825,000. The buyer requested Michael's office address to send the required earnest money deposit.

Michael provided the office address and asked for the contact information for the seller. The buyer responded to Michael with the email address for the seller. Michael noticed the word "message" in the subject line being misspelled as "massage" on emails from the buyer as well other grammatical errors. Out of curiosity Michael performed an Internet search on the seller, which revealed she was a local physics teacher. Michael proceeded to order a title commitment.

On February 4, 2016, the post office delivered an express post from Canada containing an earnest money check in the amount of \$45,000 drawn from a bank in The Woodlands, Texas. The agreement called for a deposit in the amount of \$42,900.

Because he was now suspicious, Michael found the contact information for the issuing bank, scanned and emailed a copy of the \$45,000 cashier's check to the bank and inquired whether or not the check was valid. A representative at the bank responded the very next day stating the check was not valid.

Michael performed an Internet search on the property address and found the contact information for a listing agent who had the subject property listed for sale. Michael called the agent who immediately confirmed the property was not under contract. The listing agent mentioned another local title agent had received the same bogus purchase agreement.

Michael called the manager of the other title agency who issues policies on behalf of our family of underwriters. The manager said she actually knew the real property owner who had confirmed she did not execute the purchase agreement.

According to the bogus purchase agreement, the \$42,900 deposit was to be released to the seller prior to close of escrow upon inspection of the property by the buyer. The "buyer" released all contingencies on February 4, 2016, and directed Michael to release the funds to the "seller" as soon as he received the seller's wire transfer instructions. On Monday, February 8, 2016, the person posing as the seller/property owner emailed Michael the wire transfer information to transmit the \$42,900 deposit (not the

full \$45,000). The email he received from this purported seller stated her wire transfer information was attached, but she forgot to attach it.

The next day he received an email from the buyer with the seller's bank information, which was unusual to say the least. To top it off, the wire transfer information directed escrow to wire the deposit to an unrelated third-party entity's account in Boston.

Michael knew this deal was a scam so he cancelled his file, and forwarded the details to his county manager and the National Escrow Administration team. Michael's message, with the transaction details, was perfectly stated, "Hopefully everyone in our family of companies can spot this a mile away. We certainly have been coached well enough."

The fraudsters were clearly attempting to throw enough lines in the water to see who would take the bait. On January 22, 2016, the same buyer reached out to Douglas Teders, the escrow officer and branch manager of Chicago Title's Helena, Montana office. He sent over the same exact purchase and sale agreement as used in Michael's transaction, only the seller name and property address were changed, the purchase price was lowered to \$635,000 and the required deposit was lowered to \$35,000.

Again the buyer asked for Douglas' office address to send the deposit by courier. Again, an express delivery arrived at Douglas' office containing a cashier's check in the amount of \$35,000 drawn from a bank in The Woodlands, Texas.

Douglas had already grown highly suspicious of the transaction, since the subject property was owned by two individuals according to the public records, but only one had signed the purchase agreement. The one signature on the purchase agreement did not come close to matching the signature shown on documents of public record.

Douglas reached out to the real property owners and confirmed their home was on the market, but they did not have a written offer yet and were not in contract with this particular buyer.

Douglas faxed the check to the issuing bank in Texas and asked if the check was valid. The bank quickly responded the check was not valid. In the meantime, Douglas received authorization from the buyer to release the funds immediately and prior to close of escrow to the seller, in accordance with the contract.

The seller emailed Douglas the wire information. Not so ironically, the account holder on the wire information was a totally-unrelated entity located in Boston. Yes — the same wire information Michael had received on his fraudulent transaction.

Michael and Douglas both felt they were doing their jobs, by following their gut instincts. They reviewed signatures for a match, they reached out to the real property owners and listing agent, and they contacted the issuing bank for verification of the cashier's check.