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November Legal Update: Real Estate Fraud. Recognizing and preventing Risks

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Richardson Ober LLP 11-12-25

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Real estate and cyber-crime

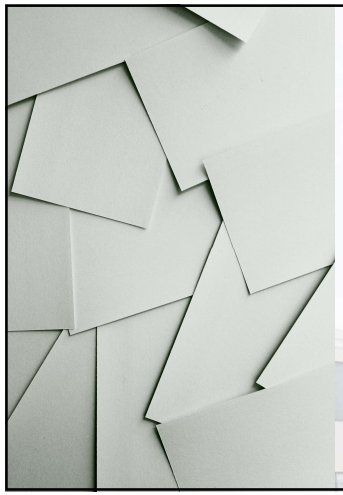
Federal Bureau of Investigation –
https://www.fbi.gov/investigate/cyber
Internet Crime Complaint Center- **https://www.ic3.gov**

California Dept. of Justice – Cybercrime section
https://oag.ca.gov/cybercrime

LA District Attorney – Cyber Crime Division
https://da.lacounty.gov/contact/office-directory/cyber-crime-division
211 West Temple Street Suite 1000 Los Angeles, CA 90012 Phone: (213) 257-2428 Fax: (213) 633-0995

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Common Scams

- Elder Fraud
- ID Theft
- Rental Fraud
- Sovereign Citizen Filings
- Email spoofs and password theft
- Foreign transactions- the "Certified Check"
- Notary Fraud

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Red FLAGS



- Amazing below market deal
- Rushed transaction
- No personal meeting – all over electronic mail
- A late change in wiring instructions

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[MORE] Red FLAGS



- Elder brought in by someone involved in transaction
- Other party insists on their notary
- Vacant or non-owner occupied property
- Someone seeks to skip normal steps

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Best Practices – computer/email/websites

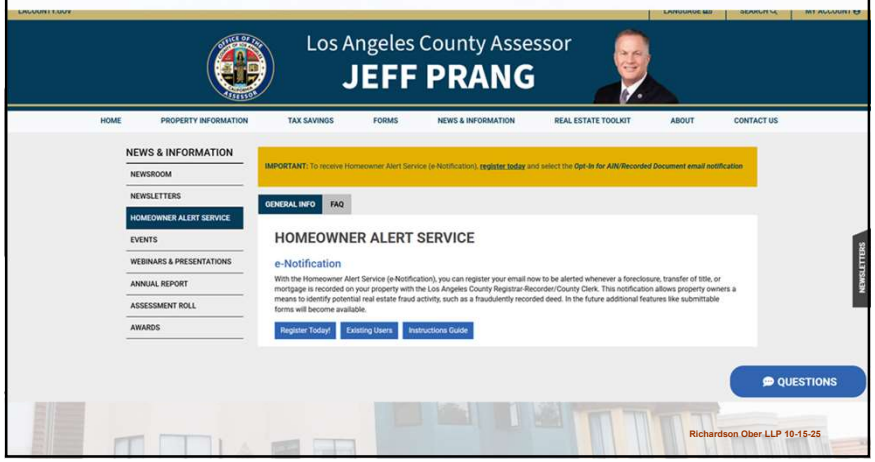
- **Look at the SENDER email.. Right click on the "sender" – is it the company domain?**
- **Are you being asked to give your outlook/google/Microsoft log in?**
- **Is it an unexpected "request" from someone you have been doing business with**
  - **Colleague… or even co-worker???**
- **Protect your clients' information – digital hygiene**
- Harden your system – update anti-virus
- Don't click on links you didn't independently verify
- Strong passwords
- Two factor authentication
- Encrypt emails/attachments
- Lock and shred

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[More] Best Practices

- **Use Care with Elders**
  - Verify elder's capacity
  - Beware of undue influence
  - Review & copy POA
- **Don't skip proper procedures**
  - "Trust me mom wants to sell the house".
  - Notary issue – just notarize – "I will get CDL to you later"
  - "I will get you that signed POA later"

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Rental best practices

- Make sure the “landlord” has access to the unit
- Avoid solely internet exchange
- Check internet re: complaints
- Verify owner in the public record
- Probably stick with known rental companies / brokers

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Can anyone get misdirected money back?

FBI Cyber Crime Unit

Window is 72 hours from the diversion of funds



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