

If you are buying or selling land -The Land Fraud Problem.

These days there seems to be a lot of fraud going on. In Los Alamos, this year alone, Atomic Realty has identified multiple attempts of land fraud. One of the common land fraud schemes is the fraudster attempts to have a Broker fraudulently list, market and sell land owned by an out-of-town owner to an unsuspecting buyer.

In reality, the owner knows nothing about it. In these cases the listing broker, prior to listing the piece of property, may not have done sufficient due diligence to verify if it is really the owner wanting to sell.

A Buyer's broker usually assumes that the listing broker has done their due diligence verifying who is trying to sell the property and then moves forward with their buyer only to find out after closing the owner was not the person selling the property and the listing was not valid. Who will likely be sued? Probably the title company and any broker involved.

While there is no 100% way to assure you are dealing with the legal owner and not a fraudster, there are some ways for both the listing Broker and Buyer's broker to show the additional due diligence and the reasonable care required of a licensed Broker. First, Atomic believes ALL communications should be in writing between the parties and between the brokers as these communications will be crucial to determine culpability if a lawsuit ensues.

Some of the hallmarks of land fraud to watch for may include: 1) an out of state owner. 2) requesting a quick closing. 3) They may provide a false email and phone number, don't rely on these as anyone can easily make false ones. 4) they may also provide a false driver's license don't rely on this either, as they photoshop fakes because they need a drivers license to get paid at closing.

LISTING & BUYERS Brokers due diligence - Phone numbers, emails and drivers licenses are easy for a fraudster to create. Some reasonable steps you may ask your broker about to minimize exposure when listing or selling the property of an out of town owner may include documentation that:

(Listing broker procedures): ____ Documentation of what has the listing broker done to substantiate the owner actually is the one selling the property, ensuring it is a valid listing. if anyone feels it isn't sufficient follow up.

(In person) ____ Has either Broker personally met the owner face to face while he/she was in town?

(Overnight package) ____ Perhaps a broker has overnighted a package to the address the county uses for taxes, requesting a call from the owner and to tell the Broker a code word in the package.

(Social media) ____ Perhaps the owner has a Facebook, LinkedIn or other social media account to reach out to.

Google) ____ Google search the true owners phone number and call them. Don't trust a phone number provided, as anyone can buy a "burner" phone at Walmart.

(Title) ____ Brokers, If you determine that this is a fraudulent listing notify title companies that you often use to help them flag this property, helping others to not be caught in future fraud on this property. Furthermore, anything but a full termination of the fraudulent listing is likely illegal.

Buyers - Do not deposit any money or close until you are comfortable you are dealing with the true owner. While there is never a best or perfect way to deal with fraud, we at Atomic and other industry leaders try very hard to make sure your investment is a safe one.

David Houck is the Qualifying Broker of Atomic Realty, (AtomicRealty.net), has over 40 years of real estate experience, a BS degree in math and physics, and a juris doctorate. He currently volunteers on the NM Association of Realtors forms committee working towards clear concise forms that best serve and protect the public.