

SCAM ALERT

FOR RENTERS & BUYERS

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Despite the national media hype, the current real estate market in Carroll County, Maryland is still in recovery mode. The sales market is suppressed by low inventory and cautious buyers, and the rental market is burdened by high demand and rising rates. Everyone is looking for their best deal. Though we are recovering, it is a tentative, stressful recovery. Sellers and landlords want the highest prices and rents they can get, and buyers and prospective tenants need to keep their housing costs as low as they can. Nothing new in that age old game of negotiation. There is something else that is “age old” that also needs to be remembered though. It is the age old adage that;

“IF IT SEEMS TOO GOOD TO BE TRUE, IT PROBABLY IS”.

There always have been, and always will be, scams of some sort. Unfortunately, real estate scams always seem to be part of the mix. One of the most active and damaging scams currently separating hard working people from their hard earned money shows up on Craigslist every day. Houses for rent are being advertised by scam artists who cut and paste portions of legitimate real estate advertisements that appear elsewhere, but in their contrived ads they show rental rates that are significantly below market value – making them appear to be incredible deals. Then, instead of providing a local (or at least regional) company, salesperson, phone number, owner name, or contact address, they simply direct interested parties contact them by email in the Craigslist system.

Recently, I spotted one of the too good to be true” ads for a 2 BR completely furnished single family home near Lusby in southern Maryland which looked to be in fantastic condition. The ad said the rent was only \$600. The going rate for comparable properties is more than double that amount. So...I decided to see what would happen if I responded. Here is the brief note I sent to the email address provided: “Please send more information on this rental”. <http://smd.craigslist.org/apa/4340706101.html>

Several days later I received the following reply via email:

Thanks for your interest in renting our home. My husband & I just got transfer [sic] to New Haven, CT and we are looking to rent ASAP, if interested kindly confirm your email address and cell phone number.

From: b758408f89af389d9c65d41206cb6e37@reply.craigslist.org

Why didn't they provide any contact information for themselves? name, phone number, address, best time to contact, etc., etc.? Seems like something they would do if this were legitimate. The answer is that they want my email and cell phone number so they can communicate with me outside of the Craigslist system (which is traceable). I didn't take any further action, but I'm pretty sure the next step would be for them to contact me and let me know how happy they are that I want to rent and that they have discounted the rent because they don't have to pay a REALTOR® or property management company – and that all I'd have to do is wire them funds via Western Union and they would overnight the door keys and lease to me.

DON'T DO IT !!!

Ironically, every advertisement on Craigslist has the following warning appearing at the bottom of the page:

Avoid scams deal locally!

Do Not wire funds (e.g. Western Union), or buy / rent sight unseen.

<http://www.craigslist.org/about/scams>

And, if you click on that link, here's what they tell you:

Avoiding Scams

You can avoid would-be scammers by following these common-sense rules:

- DEAL LOCALLY WITH FOLKS YOU CAN MEET IN PERSON—follow this one rule and avoid 99% of scam attempts.*
- NEVER WIRE FUNDS VIA WESTERN UNION, MONEYGRAM or other wire service - anyone who asks you to do so is likely a scammer.*
- FAKE CASHIER CHECKS & MONEY ORDERS ARE COMMON—BANKS WILL HOLD YOU RESPONSIBLE when the fake is discovered weeks later.*
- CRAIGSLIST IS NOT INVOLVED IN ANY TRANSACTION, and does not handle payments, provide escrow, "buyer protection" or "seller certification."*
- NEVER GIVE OUT FINANCIAL INFORMATION (bank account number, social security number, eBay/PayPal info, etc.).*
- AVOID DEALS INVOLVING SHIPPING OR ESCROW SERVICES and know that ONLY A SCAMMER WILL "GUARANTEE" YOUR TRANSACTION.*
- DO NOT RENT HOUSING OR PURCHASE GOODS SIGHT-UNSEEN—that amazing rental or cheap item may not exist.*
- DO NOT SUBMIT TO CREDIT OR BACKGROUND CHECKS until you have met the job interviewer or landlord/agent in person.*

Who should I notify about fraud or scam attempts?

U.S. Federal

- Internet Fraud Complaint Center*
- FTC Video: How to report scams to the FTC*

- FTC online complaint form*
- FTC toll free hotline: 877-FTC-HELP (877-382-4357)*
- Consumer Sentinel/Military (for reports from services members or their families)*
- SIIA Software and Content Piracy reporting*

Resources for Ohio residents

- Ohio Attorney General Consumer Complaints*

Canada

- Canadian Anti-Fraud Centre or 888-495-8501 (toll-free)*
- RCMP*

If you are defrauded by someone you met in person, contact your local police department.

If you suspect that a craigslist post may be part of a scam, please send us the details.

Recognizing scams

Most scams involve one or more of the following:

- Inquiry from someone far away, often in another country.*
- Western Union, Money Gram, cashier's check, money order, shipping, escrow service, or a "guarantee."*
- Inability or refusal to meet face-to-face before consummating transaction.*

Examples of Scams

1. Someone claims craigslist will guarantee a transaction, certify a buyer/seller, OR will handle or provide protection for a payment:

- *These claims are fraudulent, as craigslist does not have any role in any transaction.*

- *The scammer will often send an official looking (but fake) email that appears to come from craigslist, offering a guarantee, certifying a seller, handle payments.*

2. Distant person offers a genuine-looking (but fake) cashier's check:

- *You receive an email (examples below) offering to buy your item, or rent your apartment, sight unseen.*

- *A cashier's check is offered for your sale item as a deposit for an apartment or for your services.*

- *Value of cashier's check often far exceeds your item—scammer offers to "trust" you, and asks you to wire the balance via money transfer service.*

- *Banks will often cash fake checks AND THEN HOLD YOU RESPONSIBLE*

WHEN THE CHECK FAILS TO CLEAR, sometimes including criminal prosecution.

- *These scams often involve a 3rd party (shipping agent, business associate owing buyer money, etc.).*

3. Someone requests wire service payment via Western Union or MoneyGram:

- *Scam "bait" items include apartments, laptops, TVs, cell phones, tickets, and other high value items.*

- *These scams often claim that an MTCN or confirmation code is needed before he can withdraw your money—this is FALSE, once you've wired money, it is GONE.*

- *Common countries currently include: Nigeria, Romania, United Kingdom, Ukraine, Spain, Italy, Netherlands—but could be anywhere.*

- An apartment listing may be local, but landlord/owner is "travelling" or "relocating" and needs you to wire money to them abroad.

- Deal often seems too good to be true, price is too low, or rent is below market, etc.

4. Distant person offers to send you a money order and then have you wire money:

- This is ALWAYS a scam in our experience—the cashier's check is FAKE.

- Sometimes accompanies an offer of merchandise, sometimes not.

- Scammer often asks for your name, address, etc. for printing on the fake check.

- Deal often seems too good to be true.

5. Distant seller suggests use of an online escrow service:

- Most online escrow sites are FRAUDULENT and operated by scammers.

- For more info, do a google search on "fake escrow" or "escrow fraud."

6. Distant seller asks for a partial payment upfront, after which he will ship goods:

- He says he trusts you with the partial payment.

- He may say he has already shipped the goods.

- Deal often sounds too good to be true.

7. Foreign company offers you a job receiving payments from customers, then wiring funds:

- Foreign company may claim it is unable to receive payments from its customers directly.

- You are typically offered a percentage of payments received.

- This kind of "position" may be posted as a job, or offered to you via email.

DISCLAIMER

John P. Hale is a licensed real estate agent in Maryland and Pennsylvania. He is affiliated with Coldwell Banker Residential Brokerage in Westminster, Maryland. John has been licensed since 2000 and also practiced in Tucson, Arizona for many years. Mr. Hale holds the following designations and certifications awarded by the National Association of REALTORS® (NAR) and other authorized institutions: ABR-Accredited Buyers Representative, AHWD-At Home With Diversity, CNE-Certified Negotiation Expert, CRMS-Certified Risk Management Specialist, CRS-Certified Residential Specialist, CTA-Certified Tourism Ambassador, e-PRO-Online Real Estate Practice, GRI-Graduate of Realtor Institute, MRE-Master of Real Estate, MREP-Mortgage Real Estate Professional, and MRP-Military Relocation Professional.

Please note that this article was written by John to provide objective information and to also reflect his opinion of good practice at the time of its' writing for the general benefit of those considering sale or purchase of real estate. It is not intended as definitive legal advice and you should not act upon it as such without seeking independent legal and financial counsel. Frequent changes in the law and standards of practice may cause this information to become outdated and no longer applicable or incorrect.