



By Lisa A. Tyler

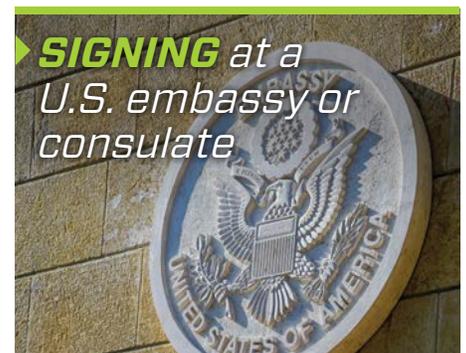
National Escrow Administrator

Melissa Burroughs, President of The Settlement Company in Manassas, Virginia, received two separate contracts for the purchase of commercial properties from a local real estate agent. Both contracts listed Whatta Trip as the buyer under his LLC. Both contracts called for earnest money deposits; as a result Melissa sent Trip her wire instructions. Read "YOU must be trippin'" to find out what happened next.

Sometimes putting a deal together and processing it through all the way to a successful closing is nothing short of miraculous. "MIRACLES do happen in real estate" describes the culmination of a four-month-long escrow that would not have happened without the sheer determination of all involved, especially the real estate agent.

Why is it principals involved in the largest financial transaction of their lives go on vacation to a foreign country? When principals are located outside the country, settlement agents have to take additional steps to ensure the closing documents are properly signed and acknowledged for recording and insuring purposes. Read "SIGNING at a U.S. embassy or consulate" to discover how principals can contact a government office to notarize their signatures.

IN THIS ISSUE



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The buyer on two commercial contracts, Whatta Trip, told his agent over and over again the earnest money was sent via wire transfer to The Settlement Company. Melissa Burroughs, President of The Settlement Company in Manassas, Virginia, confirmed each time, they never received a wire transfer from Trip.

Then Trip stated he was waiting on an investor to send the deposits to The Settlement Company. After that, he claimed there was a problem with The Settlement Company's bank account. None of these deposits were received.

Weeks later a wire was received into The Settlement Company's trust account from Trip in the amount of \$150,000. Two new purchase contracts from a different real estate agent arrived on the same day. The two new purchase contracts represented the purchase of two totally different properties than the two Melissa had received previously.

Trip sent an email to Melissa and asked her to apply \$50,000 as the earnest money deposit on each of the two new contracts, and to return the other \$50,000 to him. Trip stated in his email the previous two deals were "dead" and his relationship with the real estate agent on those two transactions had "become quite toxic." He told her there was no longer a reason to keep the agent informed.

Melissa was suspicious, since Trip had told so many lies regarding the deposits on the first two transactions and now expected a refund of \$50,000. He sent multiple emails to Melissa, each one revealing different addresses and phone numbers for multiple limited liability companies he purported to own.

Melissa searched the limited liability company names through the State Corporation Commission website to discover most of the companies had been cancelled. Through her search she discovered more entities supposedly owned by Trip.

Melissa did an internet search on the various companies, but none of them appeared legitimate. One of the addresses listed for his company happened to be in an office complex where a friend of Melissa's worked. She asked her friend to walk down to the suite where the business was supposedly located.

The friend reported to Melissa the suite was under construction for a bio-medical company

relocating to that office. The friend made an inquiry with the building manager who confirmed Trip was not a tenant at their location.

Melissa continued investigating every business address listed for Trip's numerous companies, but none of them turned out to be legitimate business addresses. Melissa decided to research Trip's name. She discovered a laundry list of offenses — including the fact he was out on bail awaiting his court date in Fairfax County, Virginia, for fraud.

Melissa had the \$150,000 wire sitting in her escrow trust account. She reviewed the wire notification and discovered the wire came from a third party, not related to either principal in either purchase contract. The wire notification reflected the "Benning Rd Project" in the memo section of the wire notification from the bank. Neither contract reflected an address on Benning Road. Melissa attempted unsuccessfully to reach out to the third party depositor, but could not find a working telephone number for him.

During Melissa's investigation, Trip reached out to Joyce Walker, a processor in her office, to find out if The Settlement Company would close transactions involving properties located in Washington, D.C. He claimed he was writing purchase contracts for a property there as well. She told him The Settlement Company did not offer their services for properties located in Washington, D.C.

When Joyce shared this information with Melissa she performed an internet search on "Benning Rd Project" and discovered the property was actually located in Washington, D.C. Melissa felt Trip had duped the third party depositor into sending funds for a transaction she was not even handling.

The Settlement Company is a title issuing agent for Fidelity National Title Insurance Company, so Melissa reached out to her agency representative with the information she had on Trip. She told Anne Tourangeau, the agency representative, the purchase contracts did not appear to be legitimate deals.

Anne, in turn, reached out to her underwriter and together they performed their own independent research on Trip. The two of them found even more legal cases against Trip and his various companies. They called Melissa with their findings. Melissa then rejected the wire and sent it back to the bank where it originated.



**TELL US HOW YOU
STOPPED
FRAUD**

settlement@fnf.com or
949.622.4425

[YOU must be trippin' - continued]

Melissa reached out to the real estate agent who deposited the two newest purchase contracts to let her know The Settlement Company would not be providing closing services for either transaction. She suggested the agent speak to her broker about Trip.

Later that day, Trip called Melissa to check on his deposits. She informed him the \$150,000 wire was rejected and she would not be able to close his transactions due to his name appearing on various lists she has access to as a title agent.

Trip did not even balk or get angry. He just said, "Okay," and hung up. Later he sent Melissa an email asking her to put in writing what she had said on the phone, because he felt her reason for rejecting the wire was "silly."

That afternoon, the first real estate agent who deposited the first two contracts called Melissa to tell her Trip called him to say the reason the first two deals were "dead" was due to the fact she rejected his wire.

Melissa was flabbergasted. She told the agent, the wire was for two new contracts she received from a different real estate agent, and Trip had given her instructions not to speak to the agent on the first two contracts. She told the agent to steer clear of Trip and his deals, because they were never going to actually close.

The next day a detective with the Fairfax County law enforcement contacted Melissa. He stated Trip was a fraudster, and recently had \$650,000 sent via a wire transfer to another title company in an identical scheme. The detective shared the title company name with Melissa. She wondered if they knew they had been scammed.

Melissa called the other title company to alert them about Trip, but was unable to reach the owner. She called her agency representative Anne Tourangeau and told her about the \$650,000. Anne was able to reach the owner of the other title agency and warn him the wire was sent in connection with a scam. The owner of the other title agency rejected the \$650,000 and returned the funds to yet another third party depositor.

MORAL OF THE STORY

Melissa's instincts, experience and extraordinary efforts thwarted a crime in her own shop, as well as one in a colleague's office. Taking care of one another is what we do. It is something that makes the title industry so unique.

Had the other title company accepted the \$650,000 and acted on Trip's instruction to release any overage, likely the third party depositor would have come looking for their money or the newly purchased property at some point in time.

MIRACLES *do happen in real estate*

Peggy was a very good person; she had fostered disabled adults most of her life. One day she saw an ad for a house to rent in Mexico and suddenly decided she wanted to move. She found tenants for her existing home in Tucson, Arizona. She rented her lovely brick home with a pool to a couple who also fostered disabled adults. Her home had previously been certified for just that purpose.

After a couple of months enjoying and adjusting to life in Mexico, a couple knocked on Peggy's door and asked what she was doing living in their home! She had been the victim of an online scam. She discovered she had been paying rent to someone other than the property owner for months. She ended up moving back to Tucson and rented a small bungalow, choosing not to disrupt the tenants occupying her home.

A few years later, Peggy decided she needed to sell her property and met a real estate agent through a friend's referral. The tenants wanted to purchase the home, so she needed a real estate agent to write a contract for the sale of property.

During the meeting with Peggy, the real estate agent learned that when she purchased the home years ago from a local commercial broker, he had reserved an easement on the back of the property so he could park an overabundance of cars from his business, if needed. It encompassed most of the fenced back yard, including the pool.

The local commercial broker never used the easement, but it had been recorded with the county. Peggy reached out to him to deed the easement back to her. The commercial broker demanded \$10,000 in exchange for the easement deed. Peggy did not have that kind of money.

The real estate agent introduced Peggy to a trusted attorney named Stephen. He started working for her right away, even though he already had a large caseload. It took several meetings with the commercial broker over a three month period, but finally the easement was released to Peggy with no payment due. Thank goodness, because Peggy was then diagnosed with breast cancer and she desperately needed the proceeds from the sale of the property to pay for her medical bills.

The tenants buying Peggy's house had to qualify for a loan which was a tricky proposition, since their earned income was solely from fostering adults with disabilities. The tenants had a 401K account balance they were able to use for a large down payment. During the time it took to obtain the easement deed, they used the money they earned fostering to pay down some debt. They were able to qualify for a new loan and four months after the contract was written, the deal closed. This story proves miracles do happen in real estate, and patience and persistence do pay off.

This article was provided by real estate agent Donna Gallagher.

SIGNING *at a U.S. embassy or consulate*

U.S. citizens and foreign nationals (anyone other than a citizen of the U.S.) can have their closing documents acknowledged by a commissioned notary at a U.S. Embassy or Consulate. Consular officials can provide a service similar to the services of a notary public in the United States. They will notarize documents for U.S. citizens and foreign nationals if the services are in connection with the document(s) for use within the jurisdiction of the United States.

The key is for the principal to make an appointment, not just show up and expect someone to be available to acknowledge their signature. A listing of U.S. Embassies and Consular offices with all their contact information is available on the internet at www.usembassy.gov.

When making the appointment, the principal needs to also find out the cost for the services. There is typically a \$40 fee for the first notarial service requested and a \$20 fee for each additional seal provided at the same time, in connection with the same transaction, due at the time services are rendered.

