



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO

**FINANCIAL INTELLIGENCE UNIT
OF TRINIDAD AND TOBAGO**
MINISTRY OF FINANCE



FIU REFERENCE: ADV/003/2021

ADVISORY
TO FINANCIAL INSTITUTIONS AND LISTED BUSINESSES:
REAL PROPERTY FRAUD

The Financial Intelligence Unit of Trinidad and Tobago (“the FIUTT”) is publishing this Advisory in accordance with *Section 17(1) (b) of the Financial Intelligence Unit of Trinidad and Tobago Act Chap. 72:01, and Regulation 26 (1) (d) (ii) of the Financial Intelligence Unit of Trinidad and Tobago Regulations.*

PURPOSE OF THIS ADVISORY

The FIUTT would like to advise the financial institutions, listed businesses (in particular Attorneys-at-Law and real-estate agents) and members of the public to **exercise caution in the process leading to the transfer of property in the real estate sector.**

GENERAL INFORMATION

The FIUTT has noticed an increase in cases where suspected fraud is being committed in the process leading to the transfer of property in the real estate sector. A fraudster creates and uses false deeds to pretend that he/she is the owner of the property described in the deed to effect real estate transactions. While in some cases there may be collusion between the fraudster and the prospective purchaser, the fraudster presents a false deed to the prospective purchaser which may or may not be duly registered at the Registrar General’s Department (RGD) as a legitimate deed executed by the true owner and prepared by a practising attorney-at-law.

HOW THE FRAUD WORKS

The FIUTT identified three areas in relation to the method/practice in suspected real property fraud:

1. **The perpetrators**
2. **The technique**
3. **The fraud**

The Perpetrators - Who are involved?

Persons who may have knowledge of, or access to:

- Unoccupied property;
- Unoccupied property owned by someone who has died or lives abroad;
- Property in which taxes and other assessments are unpaid for long periods which suggest owner absenteeism;
- Official stamps (*suspected fake*) of attorneys-at-law; and
- Government Departments involved in the conveyancing process.

The Technique -What is the criminal activity?

- The creation of a fraudulent deed to create the impression that an individual is the owner of the property to effect the real estate transaction;
- The creation of fraudulent identification by an imposter pretending to be the true owner; and
- The creation of fraudulent company documents by an imposter pretending to be the true director/secretary of the company, which purportedly owns the property.

The fraud - How is it being committed?

Two common scenarios are presented here:

- **A Fraudulent Deed** (assent/conveyance/mortgage) is purportedly drawn up by an attorney-at-law, stamp duty paid and then registered in the RGD - Land Registry. This deed has every appearance of a legitimate deed except that the signatures of the parties – the vendor, attorney-at-law and witnesses, are all forged.
- **An imposter posing as the rightful owner** agrees to sell property to X. The imposter presents false identification (*Driver Permit, ID Card or Passport*) at each stage of the conveyancing process.

RED FLAG INDICATORS TO FINANCIAL INSTITUTIONS, LISTED BUSINESSES AND THE GENERAL PUBLIC

Reporting Entities are reminded that the existence of a single indicator on its own may seem insufficient to satisfy the threshold of reasonable grounds to suspect, but when combined with other indicators, could satisfy the threshold of reasonable grounds to suspect that the transaction is related to a money laundering offence or any other predicate crime.

- **Attorney's name and signature**

The signature of the attorney-at-law who purportedly prepared the deed appears unusual e.g. the fraudulent deed contains the name of an attorney-at-law who purportedly prepared the deed and the name is missing a letter, e.g. "John Smith" printed as "Jon Smith" (without the 'h').

- **Stamp Duty**

The fraudulent deed may be stamped "Adjudged not Chargeable with Any Stamp Duty" instead of an actual amount of paid stamp duty.

- **Time lapse in relation to the date of the deed and date registered at the Registrar General Department**

Extensive time lapses between the execution, stamping and subsequent registration of the deed, e.g. a deed of conveyance for the sale dated December 04, 2012 but registered with RGD in July 2014.

- **Property description**

The description of the property varied from that shown in previous registered deeds.

- **A series of deeds from the true owner to the purported owner**

The title search revealed conflicting deeds of conveyance from the previous owners to the person purporting to be the present owner of the land.

CAUTION TO FINANCIAL INSTITUTIONS, LISTED BUSINESSES AND THE GENERAL PUBLIC

- **Scrutinise documents/deeds** thoroughly for any errors, missing information and alterations. Read documents/deeds carefully as fraudulent documents often contain misspellings or poor grammar.
- Conduct **Customer Due Diligence or Enhanced Due Diligence**: Interpretative Note to FATF Recommendation 22 advises that real estate agents should comply with the requirements of Recommendation 10¹ with respect to both the purchasers and vendors in real property transactions.
- **Property owners**: Owners of property and relatives of deceased persons should **visit the property randomly, maintain and secure the property**. Unoccupied and abandoned land tend to be a viable option for individuals perpetuating property fraud.
- **Purchasers**: A prospective purchaser should **visit the property and conduct proper enquires** of occupiers/neighbours to verify ownership. An attorney-at-law should be consulted at the earliest opportunity and ensure that a deed of agreement is executed by the Seller before paying the deposit. **Cash payments should be avoided.**

¹ Recommendation 10 details the importance of Customer Due Diligence (CDD). CDD is intended to enable a legal professional to form a reasonable belief that it has appropriate awareness of the true identity of each client. Best practice requires the conduct of CDD on both parties, however, at a minimum, the identity of the party who is not the client should be verified and recorded where full CDD cannot be conducted.

- **Financial Institutions and Listed Businesses:** Any suspicious transactions that can be linked to real property fraud should be immediately reported as a Suspicious Transaction/Activity Report to the FIUTT.
- Any transaction/activity deemed as real property fraud should be reported to Fraud Squad of the Trinidad and Tobago Police Service (TTPS) at Telephone numbers: 1(868) 625-2310 or 1(868) 623-2644 or; Fraud Squad South office at 1(868) 652-8594; or by Email: fraud@ttps.gov.tt.

Dated: May 26, 2021

Financial Intelligence Unit of Trinidad and Tobago

