

Sent: 2/28/2011 4:07:39 P.M. Central Standard Time
Subj: Real Estate Scam

All:

The Nigerians are getting more sophisticated.

I was recently contacted by a Houston realtor representing an "English doctor" named Kesava Reddy Mannur who was moving to Houston and advised that the doctor had asked her to find him an attorney as he felt he needed legal representation regarding his purchase of a house in the Houston area. Had I received an e-mail from the "English doctor", it would have immediately gone into spam and been destroyed; however, because the initial contact came through a local realtor and also involved a legitimate home builder, it looked like a genuine matter. As the time drew near for the "English doctor" to sign the purchase agreement, he asked if I would accept and be the conduit for the funds which he would be using as a down payment for his purchase of the house and then sent me a cashier's check for almost \$500,000.00, which was considerably more than the down payment. I will note that this type of request is not all that unusual as I have had various of my clients ask that I deposit various funds in escrow in my trust account for distribution for all manner of things, whether it be acquisition of properties, payment of settlements, etc.

The cashier's check was a fraudulent instrument, but the scammers were hoping that I would deposit it into my trust account and make various distributions as directed before my bank determined that it was a fraudulent instrument. My bank, however, initially pronounced the instrument as being fraudulent (as it was purportedly drawn on my bank) and then did its own investigation to confirm its initial diagnosis and got back to my office within 24 hours with confirmation that the instrument was indeed fraudulent. Had the cashier's check not been purportedly drawn on my bank, it is conceivable that my bank would have accepted the check for deposit, then advised that the funds were good shortly after deposit since it was, on its face, a cashier's check, and, finally, 2 or more days later, would have notified me that the deposit was being reversed because it was fraudulent.

The scammers appropriated the identity of a real English doctor as part of their scam, obviously obtaining all of their info on him from the internet. By appropriating the identity of a real doctor and involving innocent and legitimate dupes such as the realtor and homebuilder, they hoped that such information and contacts would help them obtain a degree of legitimacy with an attorney which they would not otherwise be able to possess.

I talked to the Secret Service who advised that this was a more sophisticated scam and different than what they have seen in the past. Since, through caller ID, my staff was able to determine that the call from the "English doctor" to my office to check on the status of the funds came from Nigeria, the Secret Service advised that, even if the scam had been successful, it was not worth investigating as Nigeria does not cooperate with the US in going after this type of criminal conduct and the Nigerian scammers never show up on US soil but instead conduct all of their business through the internet and/or phone and that the only live people who show are dupes hired via the internet or phone. In short, they advised that if I wanted to stop receiving e-mails and phone calls, then the best course of action I could pursue was to notify the scammers I was aware of the fraudulent cashier's check.

Fortunately, the only thing I have been out on this scam has been some time, with the vast majority of it being spent on talking to the Secret Service and notifying others of the scam.

Since I would hate to see any of you get burned, I thought I should bring this scam to your attention and ask that you also notify other attorneys you know about this scam so they can immediately or almost immediately recognize it for what it is and not become a victim. Notification is also appropriate in the context of last weekend's CLE with this scam qualifying under either the bad or the ugly.

Richard