



Illinois Department of Financial and Professional Regulation

Division of Financial Institutions

PAT QUINN
Governor

BRENT E. ADAMS
Secretary

Roxanne Nava
Director
Division of Financial Institutions

ALERT--Regarding Foreign Time-Share Sales Scam--ALERT

The Department of Financial and Professional Regulation, Division of Financial Institutions, (Department) has received information regarding the operation of several scams that target consumers attempting to sell time-shares in foreign countries (primarily in Mexico) through the use of fraudulent and non-existent vacation management companies, escrow and title companies. While the Department neither issues “advisory opinions” nor dispenses legal advice, the public’s interest in this topic merits this **ALERT** from the Department. Parties seeking a legal opinion or advice concerning a particular service provider should consult their own attorney.

Potential sellers of foreign time-share units or interests often list them for sale with the resort where the unit is located, vacation management companies and various places on the internet. The potential seller is contacted by someone claiming to have sold the unit and advising the owner that the title or escrow company will contact that seller with respect to the transaction. A representative of the escrow or title company contacts the seller and advises that the law of the foreign country requires that certain fees be paid in advance but that those fees will be reimbursed to the seller, along with the proceeds of sale, immediately following the closing of the sale. There may even be a formal-looking document “guaranteeing” such reimbursement. The seller is sent wire instructions for the advances and some sellers have wired money to the non-existent title or escrow company.

In early versions of the scam, the vacation management company and the title company names were made up and in some cases the scam was discovered when the potential victim contacted the Department to check on the legitimacy of the companies. In the latest twist, the scammers have hijacked the name, logo and URL for a registered title insurance agent in Illinois so that if potential victims call the Department they will be told the company is a registered title insurance agent. However, the alleged mailing address for the scam company does **not** match the address on record for the registered agent and the email address for the scammer does **not** use the URL for the registered agent.

In order to protect themselves, consumers should consider taking the following steps:

- 1] Retain competent legal counsel at the outset of any real estate transaction;
- 2] Perform due diligence on the *bona fides* of all escrow and title companies;
- 3] Look for discrepancies, however minor, in addresses, phone numbers, spellings;
- 4] Not judge the honesty of the company based on the beautiful photos on its website;
- 5] Not wire money out of the country as a seller in the absence of legal advice;
- 6] Contact Richard.Bake@Illinois.gov or call 312-550-5804 or
Michael.Rooney@Illinois.gov or call 312-814-6187.