



THE FINANCIAL INTELLIGENCE UNIT

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PUBLIC ADVISORY REAL ESTATE SCAM

The Financial Intelligence Unit of The Bahamas (“FIU”) would like to advise local Financial Institutions, Law Firms, and Real Estate Agents to exercise caution in the customer onboarding process that communicate strictly via e-mail regarding real estate purchases.

The FIU has noticed an increase in Suspicious Transaction Reports (“STRs”) from several institutions who reported that they were contacted by an individual seeking representation or assistance with real estate purchases in various islands of The Bahamas. However, once the process commenced, it was revealed that all documents received from the individual were fraudulent. The identity of the perpetrator is unknown; however, the following aliases were used:

Alias 1:	Andrew Franklin
Alias 2:	Franklin Andrew
Alias 3:	Frank Andrews
Alias 4:	Frank Andrew

PROCESS:

The FIU has identified two (2) ways in which the local institutions were contacted by the individual:

1. The individual contacts a local real estate company regarding interest in property. Once the real estate company has confirmed interest and has started the onboarding process, the individual is then referred to a local law firm to complete the Know Your Customer (“KYC”) forms, as required by The Compliance Commission of The Bahamas’s Customer Due Diligence process for Designated Non-Financial Businesses and Professionals. It is then that the law firm receives incomplete KYC documents via email, which consisted of fraudulent photo identification, bank letters, and utility bills.

2. The individual contacts a local law firm for representation in a real estate purchase. After receiving banking information and instructions to send a 10% deposit for the real estate purchase via International Wire, the individual sends an overstated cheque for the full purchase price of the property directly to the commercial bank from a location unrelated to the individual. Once the cheque has been received by the Financial Institution and the amount is on hold, the individual asks that the overstated amount be returned via wire transfer to an unrelated third-party before the cheque can be cleared by the Banks.

In all instances, the scheme was caught well in advance, as the Financial Institution noticed that all documents were fraudulent, including the cheque issued.

NOTES TO FINANCIAL INSTITUTIONS:

The FIU wants to remind all Financial Institutions:

- Any, and all, suspicious transactions must be reported to the FIU, as mandated by section 25 in The Financial Transaction Reporting Act, 2018;
- Ensure that all laws and regulatory guidelines are followed thoroughly during the onboarding process; and
- Carefully examine documents received for grammatical errors and anomalies that can confirm validity.