

Another 400 WA home sales investigated for fraud

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Hundreds of properties feared to be sold under Nigerian-based scam using fake identification. Up to 400 WA property title transactions are being re-examined after it was admitted human error was to blame for the fraudulent sale of a second Perth home. Commissioner for Consumer Protection Anne Driscoll warned today there could be more cases that have not yet been detected and urged homeowners living overseas to make contact with their real estate agent.

It came to light this week that a Ballajura home was sold without the owner's consent sometime between February and April while they were living overseas and renting the property through a real estate agent. They only discovered they no longer owned the property when they recently returned to Perth.

The incident has brought the real estate and conveyancing industries under heavy scrutiny, with police believing agents acting for the owner and buyer of the house were conned by a Nigerian-based scam using fake identification. They face having their licence cancelled.

An officer at the state titles registrar, Landgate, also has been blamed for failing to follow heightened security processes implemented after the first fraudulent sale in September last year. In that case, Roger Mildenhall lost his \$440,000 home in Karrinyup in almost identical circumstances.

"Unfortunately, due to human error [the Ballajura] transaction did not go through the increased security processes," Landgate head Bruce Roberts said. "Clearly we need to increase the rigour because in a system operated by humans we need to make sure we give them the most support in dealing with those transactions." Mr Roberts said all 400 property transactions involving a party overseas in the past nine months would be re-examined for fraud. However, he deflected blame from the government agency.

"Landgate is at the end of the [sale] process, when the fraud has already been committed. It's too late for Landgate to do any checks to prevent that money being transferred," he said. "So we can only prevent this fraud by working with the industry." Both incidences appear to have

begun with a Nigerian-based scammer contacting the property's real estate agent and changing the owner's contact details using fraudulent identification before then requesting an urgent sale to fund a petro-chemical project. The proceeds of the sale were sent to a Chinese bank account.

Ms Driscoll said it was disappointing that the agents involved had been fooled by a set of similar circumstances within months of warnings being issued following the first case. "All of us are feeling very disappointed that this has happened [on] a second occasion," she said. "We had hoped that the information gathered through earlier events meant that there was very, very close scrutiny of every transaction," Ms Driscoll said.

All property managers had been asked to review their files and contact any overseas-based clients to confirm their identities, as well as setting up heightened security processes. Ms Driscoll said while no process changes had been implemented in the real estate industry following Mr Mildenhall's case, there had been intense education. "[However] let's not kid ourselves, the way these frauds are happening are very elaborate," she said. "It's very difficult for people to identify what is real and what is not." She said both the old and new owners were in shock.

"It's very distressing, clearly," she said. "Having spoken to the people who were the former owners of this property I really feel for them and the worry and concern that has arisen here." Mr Roberts said both Mr Mildenhall and the previous owners of the Ballajara home were entitled to compensation.

Submitted by: Roger Buhlert – Cardinia Shire Council