



Texas Real Estate Commission Warns Public Of Real Estate Brokerage Scams in Dallas/Fort Worth Area

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The Texas Real Estate Commission Standards and Enforcement Services Division (TREC) has received complaints against a group of individuals and companies that have been doing business in the Dallas/Fort Worth area. The individuals and companies named in the complaints represent themselves as real estate agents and real estate brokerage companies but do not hold Texas real estate licenses. Owners of real property, tenants, buyers, and investors claim to have lost large sums of money related to the group's real estate schemes. Among other things, the complainants allege that the group takes and keeps deposits for properties over which they have no authority or no control. They allegedly do not pay rent to property owners on property they claim to manage for those owners, or take large security deposits from tenants and then keep the money. They take deposits or earnest money on properties that they claim are available for a short sale but in reality are days away from foreclosure. Apparently, much of the solicitation of potential victims has been conducted through www.craigslist.com.

Before a consumer gives personal information, money, or financial information to a person claiming to be a real estate agent, they should verify the identity of the person and check whether that person actually holds a Texas real estate license. License information can be obtained by doing a "licensee lookup" on TREC's website, www.trec.state.tx.us, or by calling TREC Monday through Friday between 7 a.m. and 6 p.m. at 1 (800) 250-TREC or (512) 459-6544. The public should be aware that Texas laws provide that consumers who use licensed Texas agents have the financial protection of the Real Estate Recovery Trust Account if they suffer actual damages caused by misconduct of a real estate licensee in a real estate brokerage transaction and later obtain a civil court judgment against the licensee that cannot be collected from the licensee. Consumers who use unlicensed individuals or companies to perform real estate brokerage activities are not eligible to be reimbursed by that account.

Based on information filed with the complaints, the group allegedly hires unsuspecting people to perform real estate brokerage services, such as showing real properties for sale or lease and writing contracts or leases, and misrepresents to the "employees" that a real estate license is not required in order to perform those services. These employees are also apparently solicited via [craigslist](http://craigslist.com). Unlicensed real estate activity can be subject to conviction for a Class A misdemeanor, punishable by up to one year in jail and criminal and civil penalties.

If anyone has questions or information regarding this activity or about other activities that require a real estate license, they should contact TREC at the number above. Also, additional information and a TREC complaint form can be obtained from the website above.

The mission of TREC is to assist and protect consumers of real estate services and foster economic growth in Texas. Through its programs of education, licensing and industry regulation, the Commission ensures the availability of capable and honest real estate service providers. More information at: www.trec.state.tx.us

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