

Interesting Potential Scam re Mexican Company as Purchaser.. Thoughts?

Client has a timeshare in Colorado, and has received an offer from a broker to purchase it for around \$60,000, supposedly on behalf of a Mexican company. It seemed fairly legit, until a telephone call with the broker (which I am still currently on). The money is allegedly escrowed with a bank, and I was frankly rather confused about why this was relevant in any way. I kept saying to the broker: "when my client receives the funds, he will provide the documents." The broker claimed that, (1) a 10% tax applies under Mexican tax law, and (2) under NAFTA, paying that tax exempted my client from paying capital gains tax on the sale in the U.S. Finally, after going through various tax documents on the telephone, came the "aha" moment: my client is supposed to pay the \$6,000 tax up front and verify that with the escrow bank, who will only \*then\* release the funds. Supposedly the tax cannot be withheld from the payment because my client is not a Mexican resident.

Payment can be made either electronically, or by flying down to Mexico City and having the closing there, which the broker claimed "60%" of people do.

Red flashing lights are, of course, appearing before my eyes, but I am wondering if I am just naive, and this is the way that international transactions customarily progress. First, why in the world would someone want to scam money to be paid the Mexican government? (My theory: they send a URL to a fake website, which client pays into.) This also seems like a \*lot\* of trouble to try to scam \$6,000, but what do I know.

I still have a hard time seeing how the Mexican government would have any jurisdiction whatsoever to tax an American citizen selling a real estate interest in America, even to a Mexican citizen. Sure, perhaps there is a tax on those funds leaving Mexico; but why in the world would my client, the seller, have any liability for that?

Other alarm bells: "you can ask for a certified check, but that will take a couple of months to clear internationally."

The whole thing to me stinks to high heaven; but again, perhaps since I do not have a degree in International Law (as the broker queried) I just do not understand how these transactions work.

Has anyone seen this sort of thing?

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No offense intended, but a timeshare worth \$60,000? That automatically makes my antenna come up, since so many timeshares have a resale value close to zero after taking into account the maintenance fees, taxes, etc. Unless you or the client has some sort of independent evidence that the timeshare has that sort of value, that certainly sounds like a scam of the “to good to be true” variety.

If the client thinks there really is a value of \$60,000 in this timeshare, then have you considered speaking to the bank where this escrow is allegedly open? I’m not quite sure how only one party can establish an escrow that is binding on another unrelated party. I would describe that more as “buyer has cash in the bank”—which may or may not be true, but it is more accurate than describing it as an “escrow.”

Brian H. Cole, California

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The facts fit a well-established scam. I have had clients who ran into it before. Last I knew there was a company in Alabama with a web presence that was propagating it.

Darrell G. Stewart, Texas

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I practice real estate in Miami, I've seen a lot of these scams, but I haven't seen this one. Thank you for sharing.

Bob Arnold, Florida

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Incidentally, I did a Google search for “Colorado timeshare resale. The first result that came up was for “My Resort Network.” They have a page entitled “Scam Alert” (<https://www.myresortnetwork.com/scamalert.html> <<https://www.myresortnetwork.com/scamalert.html>>).

The first entry on that page says "WHEN SELLING YOUR TIMESHARE: NEVER wire or send any funds directly to the Buyer or the "Buyer's Agent." ... There is NO legitimate reason to send any funds to the buyer or some other party when selling your timeshare."

Take that for what it's worth.

Brian H. Cole

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Agreed. I found this, which sounds pretty familiar:

<https://www.azcentral.com/story/money/business/consumers/2019/02/25/scammers-promising-purchase-mans-timeshare-mexico-dupe-him-out-24-000/2952459002/>

The bank alleged to be the escrow agent is Santander, and we have a letter supposedly from them about the amount. The branch is in Mexico City, and the number given is 011-52-551-163-8682. Looks to me like Mexican phone numbers are commonly listed as 52-XXXX-XXXX, so that's another interesting point. I put a redacted copy of the escrow letter up here:

[http://koeneckelaw.com/temp/Escrow\\_Letter\\_Redacted.pdf](http://koeneckelaw.com/temp/Escrow_Letter_Redacted.pdf). I figure if I were to call the number on the letter, I would in any event get someone claiming to be the escrow officer.

I'm about 99% sure it's a scam, but do still wonder how they could profit from funds supposedly paid in taxes to the Mexican government.

The broker himself is in Oregon. There are a lot of squirrely things about this proposed transaction; heck, just talking to the broker at all made me very suspicious. But, as I said, perhaps there are factors I just am unfamiliar with.

Mike Koenecke, Texas

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Now that I think about it a bit more, it is also suspicious that the number the broker gave provides a busy signal. This may actually be scammers in Mexico, spoofing an Oregon number, having created a reasonably convincing Web site. I figure the next step will be that the \$6,000 needs to be paid to the

"escrowing" bank, which very well may be in Mexico City, but the account will be the scammer's.

Only reason I stuck with this for so long: up until today, the contracts and the representations were "we will pay the money, then you provide the documents." I was thinking more along the lines of a forged certified check, where it would be deposited then Client told to wire the broker's commission. Two weeks later, the check is found to be fraudulent and the account is charged back. When they said "oh, no, the funds will be wired into your account, and many of our clients set up a separate account for that purpose," it at least sounded somewhat plausible.

The Web page is <http://millennia-propertymanagement.com> , supposedly at 920 Southwest 6th Avenue, Suite 520, Portland. I checked the building:

<https://www.commercialcafe.com/commercial-property/us/or/portland/public-service-building/>

The fifth floor appears to be unleased.

Mike Koenecke

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The fact the purchase price is \$60k raised red flags for me. It is near impossible to sell timeshares to third parties for more than a pittance.

Seriously, look up what other timeshares at the resort in question are going for. I would be shocked if they approached \$60k.

Lesley Hoenig, Michigan

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Yeah, that caught my eye right away. Highly unlikely the "broker" is in Oregon as pretty much anything is spoof-able.

Amy A. Breyer, California

Did you by any chance to an image search on the pictures in their Web site? The one of "our people" is a Shutterstock photo. You can find it here: <https://www.shutterstock.com/image-photo/group-business-people-team->

isolated-over-133234424 <<https://www.shutterstock.com/image-photo/group-business-people-team-isolated-over-133234424>>

Brian H. Cole

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1. 52 is the country code for Mexico. The numbers after that are the lada (area code) and number. 011 is what you would dial (yeah, like who dials today?) when you are making a call to Mexico from the U.S.

2. The area code for CDMX is 55, followed by 4 digits, followed by another 4 digits. As in 52.55.3000.4040 or +52 55 5533 0040

2. The address is not correctly written.

3. The date is not correctly written. In Mexico, it would appear as "18 February 2020."

4. The bank name is not spelled out as Banco Santander (México), S.A., or some variant.

5. The language in the letter is just plain odd.

In Mexico, if you want to verify that a physician, lawyer, or even a special ed teacher is what they say they are, you can check to see if they've received a cedula at <https://www.buholegal.com/consultasep/>

jennifer j. rose, Mexico