

Real Estate Fraud Deconstructed: Themes and Classifications

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ABSTRACT

Fraudsters are perpetrating real estate transactions with sophistication and speed. The techniques employed by fraudsters to infiltrate the real estate market are extracted from 163 real estate fraud cases over the past twenty years as reported by the United States Department of Justice. Based on the sample, the primary perpetrator tends to be a middle-aged male and in roughly half of the cases, has colluded with others. Fraud schemes generally last 5.4 years, and the fraudster is typically not sentenced until four years later. The average prison term is nine years and followed by supervision. Regression statistics support that fraud incidents producing larger financial losses to its victims result in longer prison sentences for the perpetrator. Patterns emerging from these cases are used to classify dominant fraud themes and to identify general classes of how real estate is involved in the fraud incidents. This study concludes with practical steps to detect and deter future real estate fraud.

Keywords: real estate fraud; perpetrator characteristics

INTRODUCTION

Fraudsters are perpetrating real estate transactions with increasing sophistication and speed. Roughly half of all Americans have encountered a digital scam (Consumer Reports, 2024), and real estate is becoming a particular target. Individuals and businesses worldwide engage in real estate transactions. Real estate-related crime complaints average \$300 million per year, according to the Federal Bureau of Investigation (FBI, 2023). The 2025 State of Wire Fraud report has found that one in twenty Americans who bought or sold a home within the past three years have been victims of some type of real estate fraud (CertifID, 2025).

This paper examines the techniques employed by fraudsters to infiltrate the real estate market. Data is extracted from 163 real estate fraud cases over the past twenty years as reported by the United States Department of Justice. Patterns emerging from these cases are used to classify dominant fraud themes and real estate classifications as well as perpetrator roles, transaction scale, and notable outcomes. In the discussion, practical steps to mitigate risks of real estate fraud are presented.

LITERATURE REVIEW

Real estate, the real estate industry, fraud and real estate fraud are defined and reviewed. Finally, an examination of the significance of real estate fraud further validates the importance of this and future studies.

Real Estate

In simple terms, real estate is physical property including any permanent attachments. Black's Law Dictionary describes real estate as the land and anything fixed to it such as buildings, trees, fences, sewers, and utilities (Garner, 2014). Interestingly, the term "real estate" is not defined in key real estate organizations, such as the National Association of Realtors (NAR) and respective government agencies.

Real Estate Industry

The real estate industry is the business of buying, selling, and managing land and property for residential, commercial, industrial, investment, or agricultural purposes. It includes various activities, such as development,

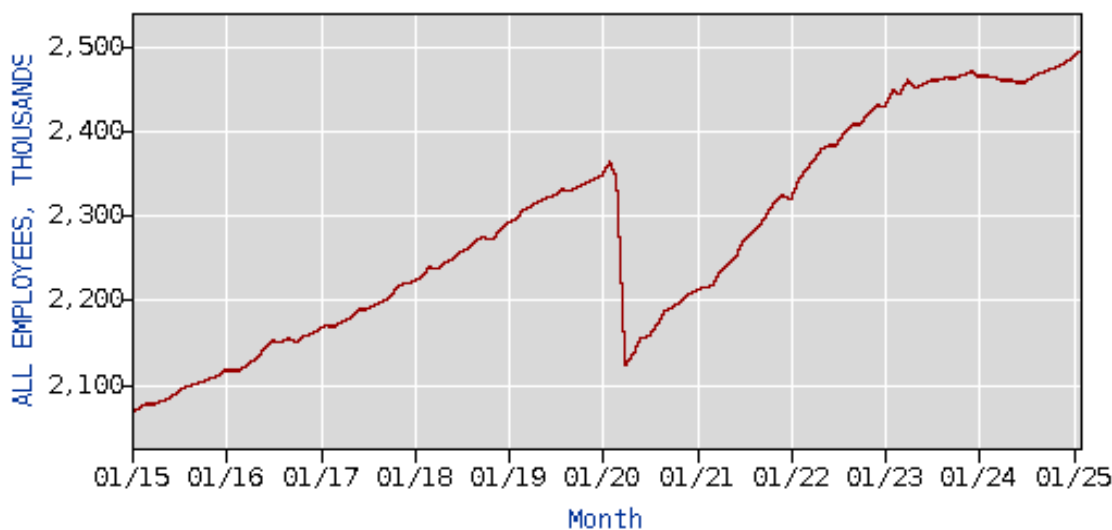
financing, insurance and property management.

The North American Industry Classification System (NAICS) code 53 represents the real estate and rental and leasing sector and states this sector “comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services....This sector also includes establishments primarily engaged in managing real estate for others, selling, renting and/or buying real estate for others, and appraising real estate” (NAICS, 2022, pg.441). Real estate investments, such as real estate investment trusts (REITs) are also included in this category.

Multiple federal government agencies oversee real estate, including the Department of Housing and Urban Development (HUD), the Federal Housing Finance Agency (FHFA), the General Services Administration (GSA), and the Federal Trade Commission (FTC).

Employment in the real estate sector has continuously increased every year with one exception in 2020 due to COVID pandemic. The real estate sector employs over 2.5 million workers as of February 2025 (U.S. Bureau of Labor Statistics, 2025). Figure 1 displays the employment trend.

Figure 1. Employment in the real estate sector (U.S. Bureau of Labor Statistics, 2025)



Fraud Defined

Black’s Law Dictionary defines fraud as a deceptive action to achieve a gain. Fraud becomes a crime when it is a “knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment” (Garner, 2014). The Association of Certified Fraud Examiners (ACFE) simplifies the fraud definition to “if you lie in order to deprive a person or organization of their money or property, you’re committing fraud” (ACFE, 2025).

The most widely accepted explanation for why some people commit fraud is known as the Fraud Triangle (ACFE, 2024). The Fraud Triangle hypothesizes that if three factors are present, namely financial pressure, perceived opportunity and rationalization, a person is highly likely to engage in fraudulent activities (Cressey, 1953). Agency theory (Jensen & Meckling, 1976) offers conflict of interest as a trigger for fraud.

Real Estate Fraud

Real estate fraud, as defined by the Fraud Examiners Manual, is “any false representation, coupled with intent to deceive, made in connection with a real estate transaction” (ACFE, 2024, Section 1-9, para.1).

The consequences of real estate fraud go beyond immediate financial losses, creating a ripple effect that can destabilize the industry, diminish trust, and impede economic progress. Cahyani *et al.* (2021) reports that the real estate industry is ranked second in law violations, following major violations in top ranked financial services

sector. Real estate can erode trust among buyers and sellers. Mortgage fraud can disrupt the market by artificially inflating property values. Fraud can lead to stricter regulations and more complex procedures in real estate transactions, resulting in higher costs and longer lead times (Nadir & Khan, 2024).

Specific to the housing market, interest rates remain at historic highs, and housing inventory and affordability are at historic lows (CertifID, 2025). The Federal Reserve notes that house prices have nearly doubled in the wake of the COVID recession, representing a “stark departure from what has occurred before the pandemic—from early 2013 to early 2020—when house prices rose at a moderate annual rate of about 5 percent and exceeded the rate of increase in rents” (Duca & Murphy, 2021, para.1). The Wall Street Journal proclaims that declining home values and increasing default rates are exposing more mortgage fraud schemes in the \$4.7 trillion mortgage industry (Putzier, 2024). Overall, the real estate industry represents a significant part of the economy and is worthy of attention and research.

Research Questions

Three exploratory questions are investigated. First, what are some principal characteristics of real estate fraud? The second research question asks: What schemes are common in fraud incidents that involve real estate? Lastly, what role does real estate play in the fraud scheme?

METHODOLOGY

Data collection in this study follows the methodology of Archambeault *et al.* (2015) and Pan *et al.* (2023), who have used news announcements to study the roles of perpetrators and the types of frauds in organizations. News announcements, or namely press releases, provide detailed accounts of the fraud.

Data has been collected through a search of the news announcements on the United States Department of Justice (DOJ) website. The key search term employed has been “Real Estate Fraud” during the period from January 2005 to December 2024. This search has resulted in a collection of 478 press releases. Duplication due to case progression has led to removal of 231 press releases. Often, press releases are published for the indictment as well as the sentencing. Case details have been extracted and consolidated into one respective case record.

All remaining cases have been analyzed, based on the following study parameters: (a) clearly stated real estate involvement; (b) financial transactions have occurred; and (c) primary perpetrator of a group or an autonomous individual is named as a U.S. citizen under U.S. jurisdiction. Outliers of those parameters have been excluded for the sample. Fifty announcements have been removed due to lack of real estate involvement, chiefly because the Paycheck Protection Program (PPP) fraud description includes the key search phrase. Fifteen cases have been removed because a financial transaction has not occurred; examples include an announcement of a new government task force and a discrimination case. Lastly, nineteen announcements have been excluded since the cases do not identify an individual, but rather, corporations or foreign individuals.

Applying the study parameters has resulted in a sample size of 163 announcements on real estate fraud cases. Each press release has been analyzed, and case details have been recorded. Key variables documented include the primary perpetrator (name, age, gender, occupation), fraud occurrences (type, dates, duration), and the outcomes (financial loss, prison term, restitution, penalty fees). The cases have then been categorized, based on common fraud schemes and classified by the role of real estate in each fraud occurrence. Consolidated results and observations are discussed in the next section.

Descriptive Statistics

In response to the first research question on common characteristics of real estate fraud, this study has reviewed 163 cases and summarized the descriptive statistics.

Primary Perpetrator

The primary perpetrator is the ‘ringleader’ or lead fraudster first named in the news announcement. In more than half of the cases, the primary perpetrator tends to be a middle-aged male who colludes with others. The

average age of all sample perpetrators is 54 years old with a range from 24 to 81 years old. The primary perpetrator is often male (85 percent of cases), and more than half the time colludes with others (53 percent of cases). Of the cases with collusion, the co-conspirators are family members in over half of the cases (51 percent). The average number of perpetrators per case is 3.5 persons, with a range from 1 to 41 perpetrators committing the fraud. Figures 2 and 3, respectively, visually depict the distribution.

Figure 2. Age Range of Perpetrators (number of cases, n=163)

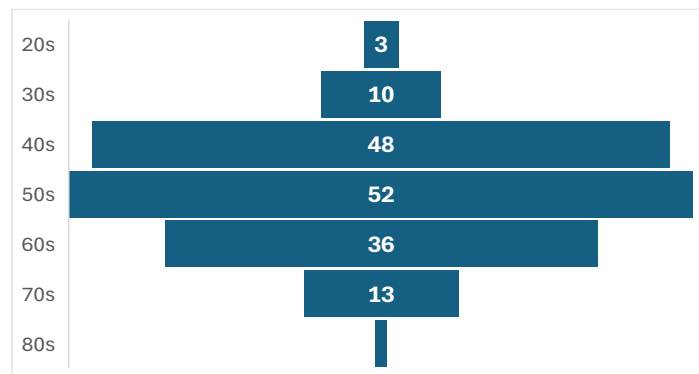
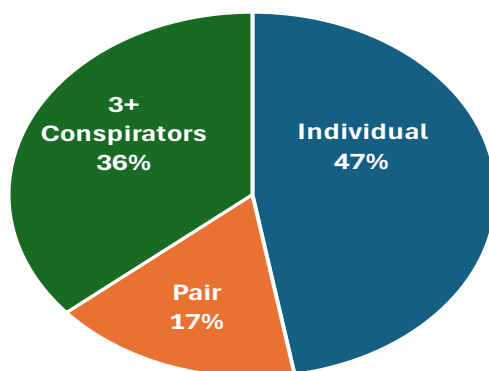


Figure 3. Number of Perpetrators per Fraud Case (n=163)



Fraud Occurrences

The dates of fraud incidents have been distributed across the years of the study. The locations of the real estate frauds are spread across 36 states, with the highest concentration in California and Florida. Figures 4 and 5, respectively, visually depict the distribution.

Figure 4. Fraud Cases by Ending Year of Fraud Occurrence (n=163)

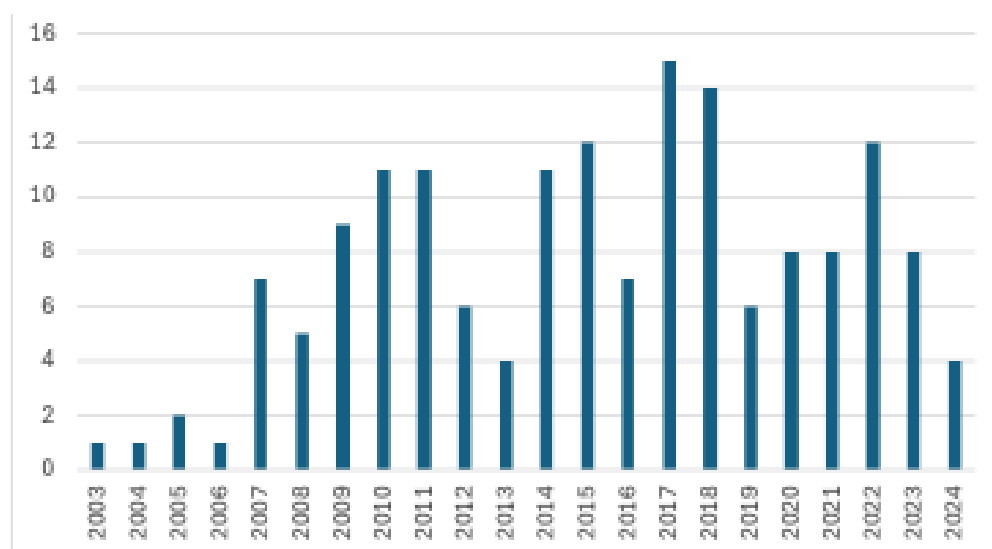
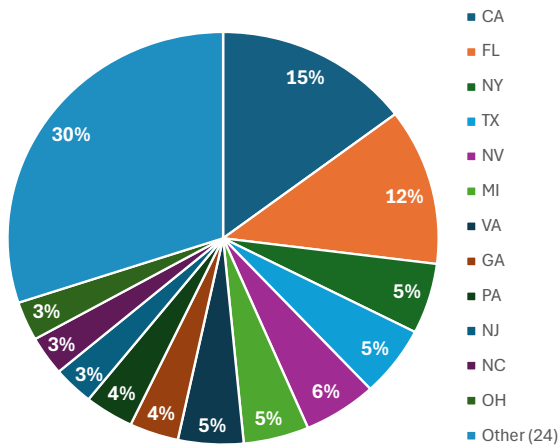


Figure 5. Fraud Cases by State (n=163)



Timing and Losses

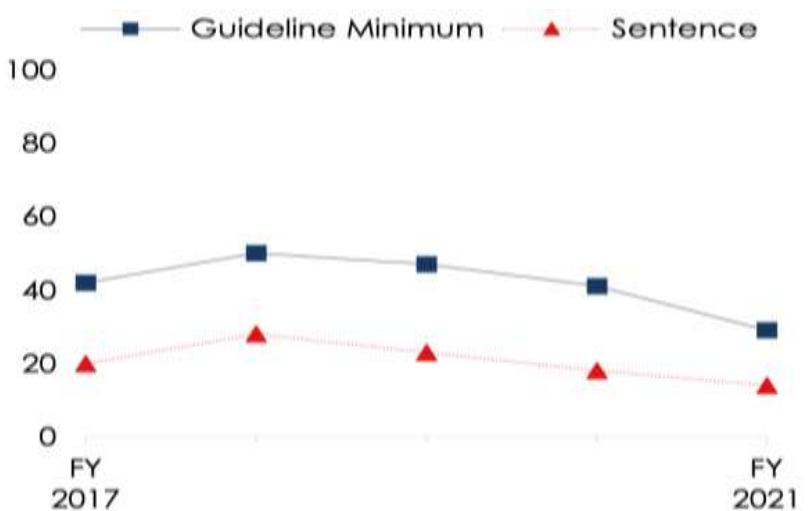
The fraud schemes in the sample have lasted on average 5.4 years with a range of 1 to 22 years. The two longest fraud schemes have revolved around tax evasion. The magnitude of fraud losses has averaged \$179.3 million. The two highest losses have been investment frauds by Samuel Bankman-Fried of FTX that cost victims eight billion dollars (DOJ, 2024) and Allen Stanford of Stanford International Bank (SIB), who has misappropriated seven billion dollars (DOJ, 2012c).

Fraud Outcomes

The length of time between the fraud incident and the actual sentencing has been calculated at an average of 3.9 years from the ending year of fraud incident and 9.2 years from the start of the fraud incident. In other words, after the fraud scheme has ended, the average perpetrator has been investigated for over nine years, and then, has not been sentenced for roughly another four years later.

The length and severity of the sentencing is calculated, based on the framework of 18 U.S.C. § 3553 that establishes a base offense level for the fraud type plus a gradient level increase based on the dollar amount of financial loss (United States Sentencing Commission, 2024). Judges use these guidelines as a starting point and methodically incorporate facts about the defendant and crime circumstances. The actual sentence is typically lower than the guideline minimum. Moreover, the average sentence imposed for mortgage fraud has decreased from 20 months in 2017 to 14 months in 2021 (United States Sentencing Commission, 2021). Figure 6 displays the sentencing trend for mortgage fraud. A similar trend was found for investment fraud.

Figure 6. Average Guideline Minimum and Average Sentence (in months) for Mortgage Fraud Case (Source: United States Sentencing Commission, 2021)



The outcomes of the cases have generally resulted in prison sentencing and financial penalties (85 percent of sample, or 138 cases). The average prison term has been 8.9 years in prison with a range of seven days to 110 years. Prison terms are often followed by supervision. Other outcomes include three cases that have been settled, seven resulting in permanent bars from licensed practice, and fifteen cases still awaiting sentencing. Interestingly, 17 percent of the sample are repeat offenders, having criminal convictions from prior years. In one case, a convicted fraudster has been operating another ten-million-dollar fraud scam from prison (DOJ, 2025).

The severity of sentencing often hinges on the amount of financial loss and the harm caused to the victims. Large-scale organized frauds involving significant amounts of money and harm are more likely to lead to harsher penalties. To evaluate this claim, the question is distilled to “do frauds with higher financial losses have longer prison sentences for perpetrators?” A regression with the reported dollar amount of financial loss (independent variable) and length of prison sentence (dependent variable) in the sample is conducted. Table 1 reports that the regression yields a R Squared value of 0.29, the p-value is <0.05, and the coefficient is positive. With statistical significance, the finding suggests that fraud incidents producing larger financial losses to its victims result in longer prison sentences for the perpetrator.

Table 1. Regression output for financial losses and prison sentences (n=138)

| <i>Regression Statistics</i> | |
|------------------------------|-------------|
| Multiple R | 0.541170212 |
| R Square | 0.292865199 |
| Adjusted R Square | 0.287665678 |
| Standard Error | 142.2031058 |
| Observations | 138 |

| | <i>Coefficients</i> | <i>Standard Error</i> | <i>t Stat</i> | <i>P-value</i> |
|--------------|---------------------|-----------------------|---------------|----------------|
| Intercept | 84.0562433 | 12.37228672 | 6.793913302 | 3.12E-10 |
| X Variable 1 | 9.68832E-08 | 1.29091E-08 | 7.505026538 | 7.24256E-12 |

RESULTS

Characteristics of Real Estate Fraud, a Response to Research Question One

Study parameters have produced a sample size of 163 press releases on real estate fraud cases. Key variables have been investigated and include the primary perpetrator (age, gender, occupation), fraud occurrences (type, dates, duration), and the outcomes (financial loss, prison term, restitution, penalty fees). Cases are categorized based on common fraud schemes and classified by the role of real estate in each fraud occurrence. Based on averages of the case sample, the primary perpetrator tends to be a middle-aged male and roughly half of them collude with others, frequently with family members. The average number of perpetrators per case is 3.5 persons. Fraud schemes in the sample on average last 5.4 years, and the fraudster is not sentenced until roughly four years after the fraud activity has ended. The average prison term is generally half of the minimum guidelines, lasting about nine years and followed by supervision. Regression statistics support that fraud incidents producing larger financial losses to its victims result in longer prison sentences for the perpetrator.

Fraud Themes, a Response to Research Question Two

Categorizing each case based on the press release descriptions and the stated primary violations, five key themes of fraud schemes have emerged. The five themes are (1) real estate transaction fraud, (2) tax evasion, (3) investment fraud, (4) healthcare fraud, and (5) bribery.

The first theme, real estate transaction fraud, can be viewed as the real estate fraud categories outlined in the

Fraud Examiner Manual, which include loan falsifications, forged documents, appraisal fraud, and mortgage fraud (ACFE, 2024). Twenty percent of the sample (33 cases) are categorized here. The perpetrator's main occupation is in the real estate industry for 76 percent of these fraud cases. One example of a fraud scheme in this category is a Florida loan officer who has been sentenced for a \$2.5 million reverse mortgage fraud scheme, which has been "designed to lure financially distressed elderly homeowners into applying for reverse mortgage loans, to create fictitious equity in their homes with fraudulent appraisals, and ultimately to steal that false equity from the seniors and their lenders" (DOJ, 2012a, para.2). This fraud incident has been led by a 42-year-old male along with three conspirators; the outcome of this case has resulted in a sentence for the primary perpetrator of 70 months in prison and payment of two million dollars in restitution to victims (DOJ, 2012a).

The second theme, tax evasion includes fraudsters that obstruct and impede the Internal Revenue Service (IRS), conceal cash to avoid penalty/taxes, file false tax returns, fabricate credits and deductions, and/or willfully fail to file tax returns on behalf of themselves, their company, or their clients. Tax evasion encompasses 49 cases (30 percent of the sample). The IRS publishes a "dirty dozen" list annually to warn taxpayers of fraud schemes that peak during filing season (IRS, 2024). The tax agency cautions citizens about tax preparer fraud. Examples of fraudulent tax preparation related to real estate include falsifying property taxes to claim larger deductions, overseas tax avoidance, and abusive tax shelters, such as syndicated conservation easements. Interestingly, three of the perpetrators in the sample cases are prior IRS employees. Also of note is that tax evasion is often committed by an individual (no co-conspirators) compared to other themes. Ingrate and Claraswati (2021) suggest that fraud in the real estate industry can be spurred by the anticipation of paying taxes. Notably, at least twenty cases (twelve percent of sample) have attempted to conceal cash with offshore accounts.

Thirdly, investment fraud represents 44 cases (27 percent of sample) of real estate fraud themes. Investment fraud targets people to invest in real estate through various schemes, such as Ponzi schemes. In a Ponzi scheme, the perpetrator promises excessive investment returns, but he/she is really using new investor money to pay earlier investors. Fraudulent cash gained from the illegal investment schemes is often used to purchase real estate in these cases. A case example is a former NBA basketball player who has created a two-million-dollar Ponzi scheme around real estate development projects. Instead of investing the funds, the fraudster uses investor money to pay for extensive renovations on his New Jersey home and to buy other luxury goods (DOJ, 2016). This 47-year-old male solely has run this scheme for six years, has later been sentenced to 108 months in prison, and has been required to pay \$2.6 million in fines and to forfeit another \$2.6 million of fraudulent gains (DOJ, 2016).

The fourth theme is healthcare fraud, a major and standalone category of fraud. Only 24 cases (15 percent of the sample) fall within the study scope parameters of including a financial transaction and clearly stating real estate involvement, limiting the investigation of this theme. Many of these cases are related to fraud in a COVID pandemic program. A case example in this category is an Arkansas business owner of laboratory testing, who has conducted diagnostic testing for respiratory illnesses during the COVID pandemic that are medically unnecessary (DOJ, 2023). The 44-year-old male would obtain a patient's medical and personal information and then misuse that confidential information to repeatedly submit \$134 million in fraudulent claims to Medicare. He has subsequently been sentenced to 15 years in prison and is required to pay \$29 million restitution to victims that includes selling the real estate purchased with the illegal funds (DOJ, 2023). Real estate has been involved, but not part of the scheme itself, only in the restitution payments.

The fifth and final theme, bribery represents thirteen cases (eight percent of sample). The occupations of the perpetrators are government employees, suppliers to government agencies, or political donors. A case example is a former army contractor from Alabama who has been convicted for paying bribes to be awarded Department of Defense contracts (DOJ, 2012b). The 46-year-old man has conspired with at least six other people to win contracts to supply water and fencing during the Iraq war. He has been sentenced to 39 months in prison and must forfeit fifteen million dollars in proceeds as well as his possessions that have been obtained with fraudulent funds, largely real estate and a Harley Davidson motorcycle (DOJ, 2012b).

In summary, five common fraud themes have been identified in response to the second research question. The major themes revealed in this study include real estate transaction fraud, tax evasion, investment fraud, healthcare fraud, and bribery.

Role of Real Estate, a Response to Research Question Three

The role that real estate plays in each fraud case is examined in response to the third research question. The association of real estate in fraud cases has been delineated into three classifications: (a) real estate purchases with fraudulent cash, or cash received from a fraud scheme, (b) occupation of the perpetrator who works or has worked in the real estate industry, and (c) real estate is used as the scam component.

The first classification is real estate that has been purchased with fraudulent cash received from a fraud scheme. This classification has the highest incidence, occurring in 39 percent of the sample (63 cases). The majority (70 percent) of these 63 cases are equally divided between healthcare fraud and investment fraud themes. Further, this classification has the greatest fraud magnitude (highest dollar loss), averaging \$386 million and is terminated with the longest average prison sentence of 13.3 years. Additionally, the highest rate of collusion occurs in this classification (4.2 perpetrators per case) as compared to the rest of the sample cases.

The second classification is occupations of the perpetrator who works or has worked in the real estate industry and includes 52 cases (32 percent) of the sample. The role of the perpetrator is stated as the business owner or key executive of a real estate company (35 percent), a real estate agent or broker (21 percent), a real estate investor (21 percent), a mortgage broker/loan officer (12 percent), or a real estate developer/construction (12 percent). Real estate agents are the most frequently impersonated professionals, followed by title agents, according to a recent survey (CertifID, 2025).

The third and final classification, real estate is used as the scam component (48 cases, 29 percent of sample). An example is the perpetrator claiming fictitious property taxes as false tax deductions on client tax returns. In a bribery case, the perpetrator promises to use his legislative influence in exchange for an illegal land swap (DOJ, 2013). In an investment fraud case, the perpetrator lures investors to pay him to buy real estate properties that do not exist. In a tax evasion case, property is transferred solely to avoid paying taxes. An FBI news headline alerts that “fraudsters are stealing land out from under owners,” indicating that a fraudster attempts to sell property that they do not own and pushes for an all-cash sale and a quick closing; meanwhile, the real property owner has no idea their land has just been sold out from under them (Thoreson, 2024).

Tables 2 and 3 outline the sample cases by the three real estate usage classifications (as described above) and then by the five fraud themes. In Table 3, the five themes are coded as (1) real estate transaction fraud, (2) tax evasion, (3) investment fraud, (4) healthcare fraud, and (5) bribery.

Table 2. Descriptive Statistics by Real Estate Usage Classification (n=163)

| | Age (years) | #perp (people) | Duration (yrs) | Prison (years) | Magnitude (\$Ms) | Offshore (cases) | Prior offense (people) |
|--------|-------------|----------------|----------------|----------------|------------------|------------------|------------------------|
| a-Cash | 50.8 | 4.2 | 5.2 | 13.3 | \$386.4 | 11 | 8 |
| b-Work | 55.5 | 3.7 | 4.9 | 6.3 | \$32.0 | 3 | 5 |
| c-Scam | 55.5 | 2.4 | 6.2 | 5.3 | \$46.8 | 6 | 15 |
| Total | 53.7 | 3.5 | 5.4 | 8.9 | \$179.3 | 20 | 28 |

Table 3. Sample Cases by Fraud Theme and Real Estate Usage Classifications (n=163)

| | a-Cash | | b-Work | | c-Scam | | Total Sample | |
|-------|--------|-----|--------|-----|--------|-----|--------------|-----|
| 1RE | 2 | 3% | 25 | 48% | 6 | 13% | 33 | 20% |
| 2Tax | 10 | 16% | 15 | 29% | 24 | 50% | 49 | 30% |
| 3Inv | 21 | 33% | 11 | 21% | 12 | 25% | 44 | 27% |
| 4HC | 23 | 37% | 0 | 0% | 1 | 2% | 24 | 15% |
| 5Brib | 7 | 11% | 1 | 2% | 5 | 10% | 13 | 8% |
| Total | 63 | | 52 | | 48 | | 163 | |

In summary, three classifications have emerged in response to the third research question, based on the role of real estate in the sample fraud cases. The classifications are described as (a) real estate purchased with fraudulent cash that is received from the scheme and used to purchase real estate, (b) occupation of the primary perpetrator

who works or has worked in the real estate industry, and (c) real estate is used as the scam component in the fraud occurrence.

DISCUSSION & CONCLUSION

With awareness and clarification of the common fraud types and the role of real estate in these sample cases, this study offers practical steps for forensic experts and accountants to use in audits, internal reviews, or client advising. The practical steps are to tailor due diligence, safeguard ownership, and instill monitoring.

Tailor Due Diligence

For traditional real estate transactions, buyers and sellers of property should conduct a thorough and tailored investigation. Examples of due diligence tailoring actions include reviewing the property title and documentation as well as searching public records for property inspections, history, and ownership. Review the public record of recent tax bills and send a certified letter to the address listed on the tax bill. Consider the financial aspects and legal implications of the transaction. Speak with a licensed and experienced real estate agent and lawyer. The FBI recommends those engaged with real estate transactions to request in-person identity checks and to look up the phone number by reverse search (Thoreson, 2024). The agency warns of international VOIP numbers and instructs people to pay attention to the age of the seller, accents, and excuses (Thoreson). When finalizing real estate transactions, avoid remote closings. Deposits and fees should follow established procedures. Taxes should be paid through escrow accounts. Sanctions.io (2024), a security and compliance firm, explains that legitimate real estate transactions do not require or involve upfront payments, especially through insecure methods like wire transfers.

Safeguard Ownership

Watch over your real estate by physically visiting the properties periodically. If remote, hire a management company who can visit. The FBI encourages owners to set up title alerts for all land and property owned (Thoreson, 2024). Lastly, title insurance offers protection against losses. Title insurance can cover costs associated with recovering from fraud incidents, resolving an ownership claim or correcting a public record error (Sanctions.io, 2024).

Instill Monitoring

Establishing regular monitoring habits, ongoing monitoring can help detect and deter fraud. Implement routine checklists to aid in consistency. Common red flags for a fraud detection checklist may include below market value pricing, high-pressure sales tactics, unusual payment requests, complex financing, inconsistent documentation, inability to physically inspect the property, recent transactions on the property and unlicensed professionals (Sanctions.io, 2024). Specific to investment fraud, additional warning signs are promises of high returns with minimal risk, unregistered investments, and difficulty receiving payments (Sparger, 2024). If a real estate scam is encountered, report it promptly to local law enforcement, which creates an official record of the incident and may trigger an investigation. If a licensed real estate agent is involved, report it to the National Association of Realtors.

CONCLUSION

This study examines the techniques employed by fraudsters across a sample of 163 real estate fraud cases over the past 20 years as reported by the United States Department of Justice. Based on averages of the case sample, the primary perpetrator tends to be a middle-aged male and in roughly half of the cases, has colluded with others, frequently family members. The average number of perpetrators per case is 3.5 persons. Fraud schemes in the sample on average have lasted 5.4 years, and the fraudster is typically not sentenced until roughly four years later. The average prison term lasts about nine years and is followed by supervision. Regression analysis supports that fraud incidents involving larger financial losses to its victims result in longer prison sentences.

Patterns from these cases are used to categorize the cases into five key themes of fraud schemes, which are (1) real estate transaction fraud, (2) tax evasion, (3) investment fraud, (4) healthcare fraud, and (5) bribery. In

addition, the role of real estate in the sample has been examined and each case has been classified as a purchase, an occupation, or a scam component. The classifications are described as (a) fraudulent cash received from the scheme and used to purchase real estate, (b) the perpetrator who works or has worked in the real estate industry, and (c) real estate is used as scam component in the fraud occurrence.

Lastly, with awareness of the common fraud themes and the role of real estate in these sample cases, this study offers practical steps of tailoring due diligence, safeguarding ownership, and instilling monitoring to aid in the detection and deterrence of real estate fraud.

Limitations and Future Research

One limitation of this study is the relatively small data set. Financial fraud cases are likely not fully reported on the DOJ website. Future studies could enhance the findings of this article by examining a broader source of legal filings or broaden the scope beyond the parameters of this paper.

This study reports the length between the fraud occurrence and the final sentencing of the fraudster. The costs and tradeoffs associated with this lengthy waiting period may be worthy of future research. Additionally, correlation with residential real estate fraud instances and housing market movements may warrant future study. Alternatively, the relationship of corporate fraud cases and financial crises in the economy may be of concern to others.

In conclusion, safeguarding against real estate fraud demands awareness and collaboration. Forensic investigators and accountants can help deter future fraud by understanding the common fraud themes and the use of real estate. The practical steps offer helpful considerations to detect warning signs and deter future fraud incidents.

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