

# TitleTalk

## NEWS YOU CAN USE

MSCTitle

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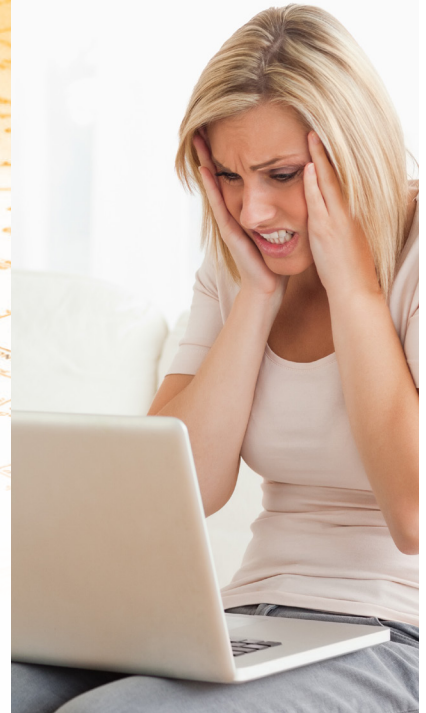


**Dear Agents and valued customers,**

We would like to make you aware of an email fraud scheme, whereby hackers are targeting consumers and stealing deposits for upcoming transactions. In this month's newsletter we will go into detail about the scam, and what you can do to protect yourself, and your clients, from this fraudulent activity.

Sincerely,

Laura Bowers, Managing Director



## Fraud Scheme Alert: Fraudulent Instructions Regarding Earnest Money Deposits

There is a current fraud scheme whereby deposit monies being held in escrow for upcoming real estate closings are being stolen. Fraudulent emails direct the entity holding a deposit ("Deposit Holder") to wire their deposit into an account controlled by the thief. The scheme usually works as follows:

1. The fraudster hacks a Realtor's email account, often Gmail or Hotmail accounts.
2. The fraudster searches and monitors the email account for information regarding upcoming closings. The fraudster is looking for all information about the closings, including the amount of the deposit, the names of the parties, and the name and contact information for the Deposit Holder.
3. Once the fraudster has all relevant information, they make a move for the deposit.
4. The fraudster opens a new email account and creates an email that appears in every way to be a genuine email from the Realtor. It shows the Realtor as the sender, includes the Realtor's normal signature, and includes working links to the Realtor's company website or any other social media websites, if any. Often, the email will have attachments related to the transaction that the fraudster copied from the Realtor's emails (i.e., escrow disclosure and agreement, purchase and sale contract, etc.)
5. This email fraudulently directs the Deposit Holder to wire the deposit to an entity that is owned by the thief. The name of the entity will appear to be a legitimate closing or title agency office.
6. Because everything appears to be genuine, the Deposit Holder then wires the funds to the fraudster's entity.
7. The deposit has now been stolen out of the Deposit Holder's account and is **gone for good**.



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## Fraud Scheme Alert:

Here is a **real life** scenario that happened very recently:



A Realtor representing the buyer sent a contract to the title company. The Realtor was corresponding back and forth with the buyer and title firm regarding work that needed to be completed at the home. The title company contacted the buyer to obtain his information and provide him wiring instructions. The buyer explained that he had already received instructions from a woman named Mary and wired \$20,000. The lady at the title company explained that they do not have an employee named Mary and had not received any wire. The buyer then forwarded her the email that he received with the instructions for wiring. The title employee called the Realtor and asked where he had received these instructions, and he did not know what she was talking about. She forwarded him the email and he was shocked to find that this email was not sent from him, and his account had been hacked. The title company called the bank in Tampa to verify the fraudulent account, and while they would not disclose the owner, they did inform the company that less than \$3,000 was left. They have since discovered that the money was moved to various Walmart locations.

## What can you do to avoid becoming a victim of this scheme?

- ALWAYS verify emails dealing with transferring funds out of your accounts. Call the title company or the Realtor to confirm the information. Use only numbers you have called before or can otherwise verify. Do not use any phone number provided in the email directing you to wire the deposit.
- Exercise extra caution when wiring instructions refer to a bank branch or entity that is located out of state.
- Realtors, be on the lookout for responses to emails you have not sent. These response emails may indicate that your accounts have been hacked.

**We hope this information will help to ensure the safety and security of your important transactions.**

**Michael Saunders & Company**  
LICENSED REAL ESTATE BROKER

MSC Title, Inc. • 40 N. Osprey Avenue • Sarasota, FL 34236 • T: 941-552-5211 • F: 941-552-5210