

Protect Yourself From Wire Fraud

Make sure your next wire transfer is safe.

Wire fraud is one of the most frightening types of theft that can happen to you, if for no other reason than wire transfers are routinely transacted in the tens or even hundreds of thousands of dollars. According to the FBI, more than \$25 billion was lost to business email fraud in the three years from 2016 to 2019, most of that through wire transfers.

A good financial professional can help ensure your transactions are safe. Advisors such as those at Baird are specifically trained to detect signs of wire fraud.

HOW WIRE FRAUD HAPPENS

Here's how it can happen: A criminal might start by targeting a business such as a real estate office with a phishing attack, which is an email message or other electronic communication intended to get them to divulge critical

personal information. The idea is to trick them into thinking there's a legitimate business purpose, so that they will input a password or click on a link. Then the hacker has access to not just their email but a wealth of other data as well.

The hackers can then watch to detect someone making a high-dollar transaction, such as a home purchase. If you're in the process of buying a home, you might get an emailed request from a criminal offering up fraudulent wire transfer instructions, disguised to appear as if they came from a professional you're working with in connection with your purchase, like a bogus title company.

Before you know it, if you're not careful, you may have wired tens of thousands of dollars to an offshore bank, with no means of recovering it. ►

Protect Yourself From Wire Fraud *continued*

WAYS TO STAY PROTECTED

Fortunately, there are procedures in place to help this from happening to you. If you use wire transfers, here are some safeguards that you should be aware of:

- Make wire transfer requests and changes over the phone, rather than via email.
- Use strong passwords for all of your financial accounts. Using special characters in your passwords – or even better, pass phrases, since length trumps complexity - really does make them harder to crack.
- Rely on multi-factor authentication – that’s when you enter a password, which triggers a passcode to be sent to your phone. Duplicating the verification process makes fraud much more unlikely.
- Don’t ever respond to an email request for a wire transfer. A good financial professional will always call you to verify wire transfers, as Baird financial advisors do.
- Also encourage your advisor or financial professional to call you with any questions about a specific transfer, especially if there are last-minute changes. Again, Baird advisors are trained to always take these steps as part of every wire transfer.

- Wire transfers for real estate transactions are especially high targets for fraud. In addition to your financial advisor, also call the receiving party independently, both before and after the transfer, to verify the instructions and ensure the transaction was completed.

Wire transfers are a tremendous convenience for those who need to move significant amounts of assets, but their sheer size means you should always tread carefully. Baird advisors are trained to recognize the warning signs and take the necessary steps to keep your assets safe.

Please reach out if you or anyone you know would benefit from discussing this topic further.