



970 Main Avenue
Durango, CO 81301
Phone: (970) 247-5464
Closing Dept Fax: (970) 385-4332
Title/Policy Dept Fax: (970) 247-0105

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Wire Fraud Alert

Dear Real Estate Partner,

CTS over the last year has received several attempts, via email, for us to wire funds to fraudsters or cybercriminals. The most recent one involved receiving fraudulent wiring instructions from a Seller. This is why we will not accept emailed wiring instructions from our customers. The wiring request must have an original signature and be delivered in person or with the closing documents in the case of a mail out closing.

The FBI has reported that wire fraud scams reported by title companies spiked 480% in 2016. According to the FBI, perpetrators monitor real estate transactions and time the fraudulent request when the transaction is about to close. A common scenario is the hacking of Realtor email accounts. Once the email account is hacked, fraudsters monitor the transactions and then intercept wiring instructions or create fake emails to the Title Company and/or buyers and sellers requesting a change to the wiring instructions.

The following is a list of self-protecting strategies:

1. Avoid free web-based email accounts: Use an established company domain name for email accounts in lieu of free, web-based accounts. This is the first line of defense. If your free email account has been compromised the criminal is monitoring the transaction from the beginning. By using a company domain account with firewalls and virus protection it will be harder for cybercriminals to hack in and monitor your transactions.
2. Do Not open spam email, click on links in the email or open attachments. These often contain malware that will give cybercriminals access to your computer system. Again, by using a secure company email domain there is more protection than with a free email account.
3. Forward, do not reply. When responding to an email, hit forward instead of reply and then type in the person's email address. Criminals use email addresses that are very similar to the real one for a company. By typing in the email address you will make it easier to discover if a criminal is after you. Look for Red Flags in emails such as odd grammar, different fonts, changes to the transaction that seem odd, minor changes to the senders email address. If in doubt pick up the phone and call the sender.
4. Wire transfers need to be verified with the intended recipient by phone to make sure they are valid and correct. We need a good phone number for the Buyer and Seller when we open the order so we can verify wiring instructions. They should do the same with the wiring instructions we send them. We plan to tell the Buyer what bank we will use when we open the order. It is uncommon for a title company to change wiring instructions and payment information.