

Dear Stewart Partners,

Summer has officially started based on the calendar, but traditionally it's the July 4<sup>th</sup> weekend that is the real kick-off to summer. With the long weekend approaching we wanted to dedicate this week's Mid-Week Update to wire fraud awareness and prevention.

Cybercriminals target long weekends. There are a few reasons for this. The long weekends provide one additional day that banks and businesses are closed, which may prevent the victims in the transaction from realizing that funds were wired into a fraudster's account. Put simply, the fraudster gains an additional day before the parties realize the money is gone, and the longer it takes to discover the fraud, the higher the likelihood that money won't be recovered. Also, because of the long weekends, many people in the transaction are being rushed to get the deal done, because not closing will have a greater impact on the buyers and sellers resulting in a minimum 3-day delay, and unhappy clients. Lastly, it's likely that you and your staff had a busy pre-holiday work week, folks are anxious to start the weekend, some of your staff may be taking vacation, and those covering are doing more and working harder. Work fatigue has set in. The fraudster is counting on someone making a mistake and not following protocols which is more likely to happen at the end of a busy work week with possibly lower staffing levels.

We've linked a video, provided some resources, and set out some reminders on wire fraud prevention and awareness below. It's a good time to remind your staff and colleagues of the heightened risk of wire fraud this coming weekend.

- *Wire Fraud Awareness and Prevention Tips*
  1. *Be Vigilant!* Communicate with all the parties in your transaction that wire fraud is a real risk and anyone who is wiring money should verify instructions to wire funds. Buyers and sellers in a transaction may not know that the simple fact of being a party to a real estate transaction makes them a target. Wiring any money without confirming via a phone call at a known number is dangerous. As a reminder, a "known number" is NOT the number received via text or email with the wiring instructions.
  2. *A Change in Wire Instructions is a Red Flag.* Any change that you or your clients receive to change the original wiring instructions is a significant red flag and is likely fraudulent.
  3. *Make sure you or your office are reachable by phone.* It is important that you and your office can be reached during business hours to confirm instructions and to be alerted if there is a potential wire fraud. Given the past year of remote-working, many calls to the front desk or main office line end up in voicemail, with messages to be retrieved at a later date. Consider forwarding the main number to a staff member so that wires can be quickly confirmed, receipt of funds can be verified, and that in the unfortunate event of an attempted wire misdirection, that you can be reached and have the ability to respond quickly.
  4. *Slow down and make sure that protocols are followed.* Cutting corners and skipping a verification process is what the fraudster is counting on. Make sure that everyone in your office knows your process and procedures for sending and receiving wires and what to do in the event a wire fraud. This knowledge will minimize your risk.

5. Ask for Disbursement Confirmation. When representing sellers who are expecting proceeds, arrange with the closing counsel that you are immediately notified when the wire is sent and request the wire confirmation. Communicate these instructions by phone or in writing when you deliver the closing documents.
6. Examine Email Addresses. Look closely at email addresses, particularly messages that deal with money and funds. Don't assume the message is being sent by the sender, it could be a fraudster posing as the sender. Do assume that the bad guys are looking at your emails.

- *Stewart – Preventing Wire Fraud YouTube Video*

This video, produced by Stewart, is a short video explaining wire fraud, how it happens, and steps your clients can take to minimize your risk. To view the video, follow this link: <https://www.stewart.com/en/wire-fraud.html>

- *The Coalition to Stop Real Estate Wire Fraud*

Check out the resources, including video and print material at The Coalition to Stop Real Estate Wire Fraud site at: <https://stopwirefraud.org/>

- *Stewart's Massachusetts COVID-19 Resource Page*

Please view our resource page which contains all the local information relative to underwriting guidance, affidavits, registry closures and frequently asked questions. This site will be updated regularly. To access click [HERE](#) and make it a favorite on your web-browser. You can also copy the following URL and paste it into your web browser:

<https://www.stewart.com/content/stewart/stewartcom/en/stg/massachusetts/underwriting-resources/forms-policy-information/covid-19-info-resources.html>

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