

Dear Stewart Partners,

Today marks the last day of August and I'm sure everyone is looking forward to the upcoming long weekend, the unofficial end of summer. We hope you are able to enjoy some time off with family and friends over the holiday weekend, while you celebrate Labor Day.

As we have done in the past when there is an upcoming long weekend, our midweek update is dedicated to wire-fraud prevention. Long weekends continue to be a target for cybercriminals. 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 the 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, particularly if the move involves starting a new school. 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 long 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 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 in the

unfortunate of 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 of 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/>



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