

## WFG Informational Bulletin

To: All Florida Agents of WFG National Title Insurance Company  
From: WFG Florida Underwriting Department  
Date: June 21, 2018  
Bulletin No.: FL 2018-08  
Subject: Cyber-Crime

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### **ONE SUCCESSFUL CYBER-CRIME COULD PUT YOU OUT OF BUSINESS!!!**

We hear of more and more agents falling victim to cyber-crime where wire transfers are redirected away from the rightful recipients. In the last month, we've heard of several examples in which someone lost significant amounts of money. Here are a few of the stories:

- The seller's attorney's email was somehow accessed. A near duplicate of his email style was used to provide "corrected" wire transfer instructions. The agent very dutifully wired over a million dollars to the bad guys. The money was traced from the domestic bank as far as Hong Kong.
- In another instance, someone impersonating the seller emailed the initial wire instructions to the settlement agent. They had somehow gotten information about the upcoming transaction (we suspect by accessing the "free" email account being used by one of the real estate agents). They jumped in and provided the information before the real seller had been asked how they wanted to receive their proceeds. Because these were the "first" wire instructions received, and not a "change," no alarms went off – and several hundred thousand dollars went out the door.
- Almost on a daily basis, we have examples of fraudulent emails purporting to be from title agencies or real estate agents directing the buyer where to wire their funds. Customers do fall for those changed instructions and are understandably unhappy to learn their money never reached the title agent.
- Most recently, we've heard of mortgage payoff instructions being intercepted at some point in the email process. Then a version with altered wire instructions is sent on to the closing office.

If you are hit by this type of crime, the money is almost never recovered because the funds are quickly wired offshore. To avoid being the victim of cyber-crime, always verify the accuracy of the written wiring instructions with the seller, or other party directing payment, either by a telephone call or in person, before wiring the money. **Never rely on wiring instructions or revised wiring instructions without verifying the accuracy of those wiring instructions with the known source by telephone or in person.**

What steps have you taken to prevent being the victim of cyber-crime?

1. Do you have cyber-crime insurance?
2. Do you verbally confirm any changes in wiring instructions with the known source?
3. Do you allow your staff to use G-mail or other non-secure email?
4. Does your cyber-crime policy require you to telephonically or to personally re-verify wiring instructions as a condition of coverage? Most policies do as a condition of coverage.

*Information Bulletins are designed to provide our agents with information we think will help in managing their business or just being better title professionals, but which does not rise to the level of being an underwriting mandate and are not within the scope of the agency agreement.*