From: WFG Underwriting Department
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To: All Policy Issuing Agents of WFG National Title Insurance Company
Bulletin No. NB2016-06
Subject: Free Email Service Make you and your Realtors® a Target

Over the last few weeks several stories have circulated about title agencies using consumer grade, "free" email services being hacked. One saw almost $500,000 diverted from their escrow account via fraudulent wire instructions. In another instance, an attorney-agent's AOL account was hacked, cyber-criminals sent bogus wire instructions, purportedly from the attorney, and the buyer sent $1.9 million to the bad guys. Fortunately, ONLY $200,000 was not recovered. Even more fortunately, neither of those examples involved a WFG agent.

We've had several WFG agents, and our own offices, suffer redirected wires after a Realtor's® system was infiltrated. Most were incoming wires which the agents never received. In other instances, agents are being duped by incoming emails from parties impersonating their Realtors® and Customers into wiring money out of their trust accounts to the bad guys. We've even heard of Realtor commissions being stolen this way.

There is a lesson to be learned. Anyone involved in the closing of a real property transaction –the title agent, the Realtor®, the mortgage brokers or even a customer -- who uses a free email service is putting themselves, their business partners, and their customers at greater risk for cyber-attack.

Cyber-criminals understand that free email services like Gmail, Yahoo, AOL, and Hotmail are ripe targets. These systems don't have all the security and encryption protocols in place or turned on by default, (you are using encrypted email, aren't you?). They provide little to no notification of invalid

logon attempts by unknown people; virtually no control over what devices can access email data; and no publicly available audit data.

True, a number of these services are adding security features, but even when turned on, that is not a substitute for your own email service with encryption and more robust security. Besides, having your own company email address just looks more professional.

We strongly urge all WFG agents-

1. If you are still using consumer grade, "free" email services for your business communications, **cease using them immediately**. Your IT consultant can help you obtain your own domain name and service where greater data security exists and implement email encryption suitable for your size and business needs.
2. In the short-time until your IT consultant can get you setup on a more suitable alternative, turn on all of the security features made available by your "free" email provider and add stronger passwords. Some of the free systems offer 2-factor authentication options, Gmail and Hotmail call theirs "2-step verification."
3. To have an ongoing discussion with your IT consultant about maintaining robust information security for all of your systems. That means firewalls, encryption, anti-virus upgrades, the latest patches, strong passwords – and the list goes on. We handle lots of other people's money, so the bad-guys really are out to get us.
4. To train your staff to be on the lookout for attempts to redirect moneys and establish policies and procedures that require verification and keeping a written log of any wire instructions by phone to a pre-approved or independently supplied phone number. Don't rely on the phone number shown in the email changing the instructions – after all that is the one you are verifying. Keeping a log of telephonic verifications is actually a condition to being protected under the terms of many "Social Engineering" or "Fraudulently Induced Transfer" portions of crime policies.
5. Continually warn your customers and others that you will not change (or provide) wiring or payment instructions by email. Consider adding something like this to you email signature.

THIS OFFICE WILL NEVER REQUEST A CHANGE IN WIRING INSTRUCTIONS OR PAYMENT METHOD VIA EMAIL. IF YOU RECEIVE SUCH A REQUEST, PLEASE CONTACT ME IMMEDIATELY – USING A PHONE NUMBER YOU'VE CONFIRMED BY LOOKING IT UP IN THE PHONE BOOK OR BY GOOGLING THIS OFFICE. IF WE RECEIVE A CHANGE IN YOUR DISBURSEMENT OR WIRE INSTRUCTIONS, IT MAY DELAY YOUR CLOSING.

1. Review and update your insurance coverages. Cyber-criminals are getting very good at stealing from us. No matter how good our systems and robust our cyber-protections, no computer system is impenetrable. So it is important to protect your company and your customers with a full range of crime and fidelity coverage, including coverage for network security and privacy breaches, for data restoration, social engineered and fraudulently induced transfers, and for frauds caused by intrusions into your systems.

Please feel free to share this with your Realtors® and others.