

March 2017

ChicagoBlog

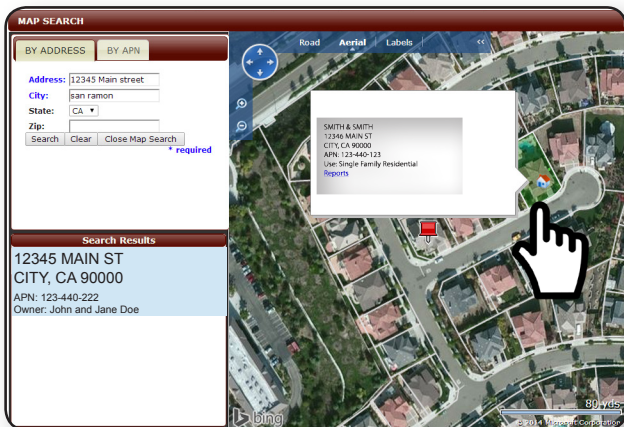
where we share our knowledge and experience.

Welcome Spring on March 20!

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Available only on our exclusive Premier Services, this interactive aerial map with parcel map overlay helps visually identify your subject property on a map. This powerful tool will give you new flexibility to find those hard to locate properties, including vacant land. It's as easy as 1-2-3. Call us today to find out more!



March Fun Facts & Events

1. March Birthstones: Aquamarine and Bloodstone
2. Zodiac Signs: Pisces - 02/19 - 03/20, Aries - 03/21 - 04/19
3. March Flower of the month: Daffodil
4. Fruits for the month of March: Pineapples & Mangoes
5. Veggies for the month of March: Broccoli & Lettuce
6. March 17 - St. Patrick's Day is observed
7. March 20 - First Day of Spring, also Int'l Earth Day
8. March 23 - National Puppy Day
9. March is Colorectal Cancer Awareness Month
10. March is International Hamburger & Pickle Month
11. In March of 1886, Coca Cola was invented

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Had it not been for Shellie Mire, a Real Estate Paralegal in Myrtle Beach, South Carolina, being alert her office would have been the victim of a Business Email Compromise (BEC) scam in the amount of \$143,486.39. The sale was proceeding just like any other. It was a split closing.

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The seller's attorney sent over the signed disbursement sheet instructing Shellie to wire the seller's proceeds. The seller's real estate agent was very involved in the transaction and with his client. He caters to clients who tend to lean on him for many little things. He emailed Shellie.

The real estate agent confirmed his client had already signed her closing documents and wondered if she could have her proceeds wired to her trade account rather than her personal account. Shellie replied she certainly can if she prefers.

The real estate agent asked if this would change the Closing Disclosure, concerned it could delay closing and Shellie confirmed it would not. Shellie did explain the seller would have to complete and sign a new disbursement sheet providing her trade account information.

The real estate agent asked Shellie to email him a blank disbursement sheet and Shellie did so. He filled it out with the trade account information and stated his client signed it there in his office, and then he emailed the completed form back.

Turns out, those seemingly harmless and non-suspicious email exchanges were actually a fraudster at work. The fraudster appears to have allegedly compromised the real estate agent's email and communicated with Shellie as if he was the real estate agent. Fortunately, Shellie did not fall for the fraud.

There were several red flags:

- Shellie noticed each email from the real estate agent was a new email as opposed to being a reply to the email chain about the disbursement of the seller's proceeds.
- She thought it was odd the real estate agent asked if the new disbursement instruction, "will change the CD."
- The signature on the new disbursement sheet did not match the seller's signature on the other documents. It was electronically signed but it was not eSigned using the technology which is used by the real estate agents brokerage that includes a statement that it was electronically signed.

Shellie decided to pick up the phone and call the seller's attorney to confirm the seller's request and the wire instructions received. He knew nothing of the request so they called the seller who confirmed she had not made any changes with her real estate agent.

Calling confirmed that Shellie had not been emailing with the actual real estate agent's email account, but rather a fraudulent email address that initially looked similar, meaning it was different than her legitimate email address. Shellie put her mouse over his email address and noticed it ended with @gmx.com — not @gmail.com.

Scott Umstead shared this story with his agency representative. He felt there were three good lessons to share:

- There is no substitute for a good sixth sense.

- Slow down! Transactions get faster and faster; everyone hounds each other for more speed in every phase of a closing.
- If one does not find a way to make the transaction go faster the real estate agent does not send any more closings, the bank takes the closing firm off their approved list, and the buyer, seller or borrower give them a 1-star review on GOOGLE™.
- Scott says settlement agents must come to a FULL STOP. Yes, a FULL STOP to properly protect everyone — including the law firm — to make 100 percent sure procedures are followed and everything makes sense.
- One more phone call might be the very step to save the customer and law firm; it was the most important step for the prevention in this story.
- Appreciate your employees because they are the ones who actually stop fraudsters in their tracks.

Be aware, also, that this particular scheme is only one of many forms of online fraud being perpetrated against real estate licensees and their clients. In protecting all parties to a real estate transaction from cybercrime, here are some advises for you and your clients to protect yourselves from becoming a victim to wire fraud:

1. NEVER send any sensitive financial information via e-mail without ENCRYPTING it. We will explain what and how ENCRYPTING can be done on the back page of this article.
2. Prior to wiring any funds, you should contact the intended recipient via a verified telephone number and confirm that the wiring information is accurate. Do not rely on telephone numbers or Web site addresses provided within an unverified e-mail.
3. Clean out your e-mail account on a regular basis. Your e-mails may establish patterns in your business practice over time that hackers can use against you.
4. Change your user names and passwords on a regular basis.
5. Never click on any links in an unverified email. In addition to leading you to fake websites, these links can contain viruses and other malicious spyware that can make your computer — and your transactions — vulnerable to attack.
6. Never conduct business over unsecured public wifi such as those available at your local coffee shops and hotels.
7. Trust your instincts. Tell clients that if an e-mail or a telephone call ever seems suspicious or "off," that they should refrain from taking any action until the communication has been independently verified as legitimate.
8. Make sure to implement the most up-to-date anti-virus software installed on your computers.
9. Insist all parties on the transaction to have security measures in place.



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