

# IMPORTANT NOTICE REGARDING EMAIL WIRE FRAUD SCHEMES

Several attempts have been made recently in the real estate industry to divert funds from both Buyers and Sellers during the closing process. The fraudulent schemes typically involve the hacking of public domain email accounts (e.g. Gmail, Hotmail, Yahoo, AOL etc.) and/or the creation of a similar named account through which the perpetrator creates a separate thread of communication. In these cases, hackers monitor the emails of agents, buyers, and sellers in an effort to gain information regarding transaction details. They then use this information and the hacked email account to direct transaction funds to their own bank accounts. Once the funds are wired pursuant to the fraudulent instructions, there is little or no chance of those funds being recovered.

These emails can appear genuine and can even contain the logos or branding of the title company, agents or lender. In most cases, the emails are written with a sense of urgency that the wire must be made as soon as possible, prior to the closing date. These emails often contain poor sentence structure, grammar mistakes, and the use of different fonts but this is not always the case.

Vesta Settlements takes necessary measures to protect personal, non-public information through appropriate information security and privacy management policies and procedures. However, despite these efforts, cybercrime will continue and evolve – vigilance and consistent attention from all parties to a transaction are crucial.

## **Steps you can take to prevent Wire Fraud on your own transactions:**

- Don't use public domain email accounts for business purposes
- Use encrypted email for emails that contain sensitive information
- Sellers should bring wire instructions to closing instead of emailing them to the title company prior to closing
- Buyers should confirm all wire instructions directly with the title company on the phone ahead of closing or before making a wire transfer
- Be Cautious. Scrutinize all emails pertaining to transaction funds. If you think something seems slightly "off", pick up the phone and speak directly with the parties involved in your transaction.
- If you are a real estate agent, provide a copy of this alert to all of your clients

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