

# Escrow and Title Fraud

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## Mechanics Lien Fraud

A close-up photograph of a wooden gavel resting on a document. The document has the words "Divorce Decree" written in a large, black, gothic-style font. The gavel is made of polished wood and has a brass band around its head. The background is a light-colored, slightly textured surface.

Divorce Decree

Forged QCD



Don't You Know  
Who I Am?

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Don't let them bully you



Is that *really* a Cashiers Check?

# More Check Fraud...

Legitimate check stolen from mailbox of intended recipient.

Thief creates bogus check stock using the ABA and Account number.

Victim is stuck dealing with aftermath of hundreds of bad checks.

# Wire Fraud

On the internet, the world is one big neighborhood



# Targets

- Buyer – false wire instructions for deposit of closing funds
- Escrow department – change of wire instructions for deposit of proceeds
- Escrow department – false payoff instructions
- Bank – wire initiated by fraudster after obtaining login credentials and creating new user with wire privileges.



# How do we prevent it?

- Non-networked banking computers
- Require strong passwords – at least 9 characters, uppercase/lowercase letters, numbers and symbols.
- Require separate initiation and approval of wires
- Multi-Factor Authentication
- Talk about this problem with clients and other industry partners
- **\*\*Be aware! Online banking fraud is on the rise. If you receive an email containing WIRE TRANSFER INSTRUCTIONS call your escrow officer immediately to verify the information prior to sending funds.\*\***

# It's happened...now what do we do?

- Call the banks immediately and request that the wire be reversed via a “swift recall” and the receiving account be frozen.
- Contact all parties
- Contact the police
- FBI Internet Crime Complaint Center (IC3) [www.ic3.gov](http://www.ic3.gov)

