

* Fraud Avoidance



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Fraud trends in 2017 and 2018

Identity theft

Elder abuse

Wire fraud

Properties at a higher risk of being victimized

Absentee owners

- Rental properties
- Vacation homes

Entities

- Corporations or LLCs

Elderly owners

Hallmarks of fraudulent transactions

1. Urgency to close
2. Everything done by email - unwillingness to appear in person or speak on the phone
3. Last minute changes
4. Non-traditional identification documents
5. Small (and sometimes not so small) details that don't add up

WIRE FRAUD

How bad is the problem?



\$5.3B

**Wire fraud in real estate is
the fastest growing
cybercrime in
the USA**

Real Estate Transactions 2017



\$1.63B

Est. Attempted Frauds

\$986M

Est. Actual
Loss

?

Funds
Recovered

BEC Domestic Exposure (Est. Actual) January, 2016 to June 2017

Best Practices for cyber security

- Dual-Factor Authentication
- Strong passwords
- Encrypted email - attachments *and* email body
- EDUCATION, EDUCATION, EDUCATION...Talk to your clients from DAY ONE - make sure they hear the warning about fraudulent wire instructions

Tools and Training

- ❖ Train staff to recognize phishing attacks:
 - ❖ Security Planner: <https://securityplanner.org>
 - ❖ PhishME: <https://phishme.com/free>
 - ❖ KnowBe4: <https://knowbe4.com/resources>

- ❖ Promote awareness with industry partners and consumers:
 - ❖ ALTA Wire Fraud video, rack cards, PowerPoint

- ❖ Utilize technology to increase security
 - ❖ CertifID
 - ❖ KnowBe4
 - ❖ Real Estate Data Shield
 - ❖ How Secure is my Password?

FRAUD RECOVERY

When minutes count, will you be ready?

Find free resources online at:

<https://www.alta.org/business-tools/information-security.cfm>

[ALTA Rapid Response Plan for Wire Fraud Incidents](https://www.alta.org/business-tools/information-security.cfm)