



Focus on Fraud

Reliable resources for free fraud education

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Derek Bok, former president of Harvard University, opined that, **"If you think education is expensive, try ignorance."** This quote is often referred to as "Bok's Law." We have all paid dearly for the education we've obtained (whether financially, experientially, or physically), and it is a valued asset that we continue to rely upon daily. Thinking back on your formal and informal education, ask yourself these questions:

- **Do you appreciate and benefit from your education?** – *Absolutely! (Except for maybe advanced calculus.)*
- **Do you use your education every day?** – *Of course!*
- **Do you share your knowledge with others?** – *All the time! (Sometimes whether they want it or not.)*
- **How much did your education cost?** – *A lot! (Keep your number of dollars and mistakes to yourself, but keep it in the front of your mind.)*
- **Do I want to pay for another education?** – *Are you nuts? I should stop reading right now.*

Note: If you do not read any further, you are probably destined to pay unwillingly for additional education... with cyber criminals as your instructors.

FBI Materials

The FBI hosts the - the Internet Crime Complaint Center (IC3), a website that offers free facts, figures, alerts, and other important information at www.IC3.gov. This site is also where you report fraudulent activity to the FBI. As the central hub for all reported internet fraud, the FBI has the numbers:

- Average wire fraud loss in a real estate transaction is \$129,427.
- Total actual losses to Business Email Compromise exceeded \$12.5 billion since October 2013.
- FBI estimates that only 15% of the frauds actually attempted are reported to IC3.gov.
- If only 15% reported, then estimated losses would exceed \$83 billion in that same time frame.

These staggering numbers represent those individuals and companies that learned the “hard way.” The actual reported losses are roughly equal to what it would cost to run Harvard for three years – for free, with no tuition. Please educate yourself, your staff, and your clients before adding to the statistics.

Educate yourself for free.

“Personally, I’m always ready to learn, although I do not always like being taught.” - Winston Churchill

In order to remain fully prepared and competent in our professions, we must acknowledge that cyber fraud is a growing threat, and we must embrace education to prevent it. Before a fraudster grades you on your cyber fraud education, please visit invtitle.com/wire for complimentary materials. The resources found on this webpage will help you protect your and your staff, clients, and customers from cyber menace.

Educate others for free.

“The only thing worse than training your employees and having them leave, is not training them and having them stay.” - Henry Ford

Every transaction is at the end of a long chain of communications – mostly digital. The security of the transaction and all those involved is only as strong as the weakest link in the chain. Share the resources, policies, and procedures found on the invtitle.com/wire website with your office and staff.

Simply expecting your office to learn and follow the steps in **W.I.R.E. (What I Require Every time)** will provide free protection. The following three steps could save your business:

1. Proper Identification. Verify the identity of the recipient with independent information from early in the file. Fraudsters jump into existing transactions and try to impersonate a legitimate party.
2. **Verbal Confirmation.** Telephone the properly identified individual to confirm wire instructions prior to initiating the wire. Use the “properly identified” phone number in step one, not the phone number in an email. Do NOT trust email, whether encrypted or not, for wiring instructions.
3. **Delivery Verification.** Call (again on the phone) the wire recipient to confirm delivery. Use the same properly identified number from step one. This is an extra step, but a valuable one.

If these simple steps were followed consistently, the majority of real estate wire fraud would be thwarted. ***Before*** you send another wire out of your office, adopt these simple steps – and they are free. **“A smart man makes a mistake, learns from it, and never makes that mistake again. But a wise man finds a smart man and learns from him how to avoid the mistake altogether.” - R. H. Williams**

Real estate is a team sport. We are collectively dependent upon each other to correspond in a safe and secure manner – generally through business email. Each of us must continually communicate with attorneys, title agents, real estate brokers, lenders, buyers, sellers, surveyors...and the list continues. Every one of them is a link in that chain of digital communication. Communicate with them only in person, on the phone, or in encrypted email. Demand that security in return. It only takes one person to click on the wrong link sent by an imposter for the entire team to be compromised.

Visit invtitle.com/fraud for educational materials, videos, warnings, and news stories to protect your customers, clients, friends, and family from cyber fraud threats – not only in real estate transactions, but in their personal lives. Share this webpage in your email footers, engagement letters, conversations, marketing materials, and anywhere else you can. Merely watching a two-minute video on this webpage could keep someone from losing their life savings.

Cyber Fraud Insurance

It is difficult to recommend that a business add a line item in the expense column, but sometimes we must heed the 500-year-old warning to not be "penny wise and pound foolish." The same is true for cyber fraud losses. When you pay premiums for cyber fraud insurance, you are actually amortizing future and potential losses in advance – and gaining the ability to sleep at night.

Now that you have read this article, go back and re-read it, but substitute the word **PROTECTION** for **EDUCATION**. It may not totally fit, but it comes close. In the case of cyber fraud, education is protection.

Education on this issue is not optional.

We can all educate ourselves on cyber fraud the easy way or learn the hard way. Either way, the lesson is being taught all around you right now. We hope that experience will not be our teacher – as she is a harsh grader and sends monstrous bills.

"Don't let your learning lead to knowledge. Let your learning lead to action." - Jim Rohn