

WIRE SCAM ALERT

The FBI is seeing a new scam regarding real estate transactions, involving real estate agents, title companies, purchasers and buyers, banks and real estate attorneys. Essentially business email accounts are being compromised at different phases of the process when money is exchanging hands. The false email appears very legitimate and provides specific bank wiring instructions to complete a transaction.

Business Email Compromise (BEC) is carried out by compromising legitimate business e-mail accounts through social engineering or computer intrusions to conduct unauthorized transfers of funds. For example, if a buyer is getting ready to close on a property, they will receive an email from the Title Company which appears legitimate (maybe one letter off) instructing the buyer there are new wiring instructions for the transaction. The bad guy has all the information for the transaction, so the email appears to be legitimate. The transaction also appears legitimate because the wiring instructions are for US based banks. Once the money is wired it is usually wired a second time out of the bad guys account to another account overseas.

We have learned that if we are notified within 1 or 2 days of the original transaction, we do stand a chance of recalling the wire transfer. The key is to quickly notify the FBI of these types of transactions.

We are trying to get the word out to the real estate community in Indiana. If there are any suspicious emails that require someone in a real estate transaction to change course and wire money to a different bank than originally discussed it should act as a waving RED flag. We are working with various national banks on this issue and have had some success in recalling wire transfers; however, smaller regional banks are problematic because they are so numerous.

Steps to be taken in case of suspicious email wire instructions:

1. Call the Indianapolis office of the FBI at 317-595-4000 to report the scam.
2. Visit www.IC3.gov to report the scam.
3. Contact the sending bank to have the wire recalled.

Often times companies or individuals will contact local law enforcement to report the incident and often times there will be a delay before the information gets to us, so encourage folks to get a hold of us as soon as possible when this scam is identified.