

## 3 Lies of Wire Fraud [and the truths behind the myths]



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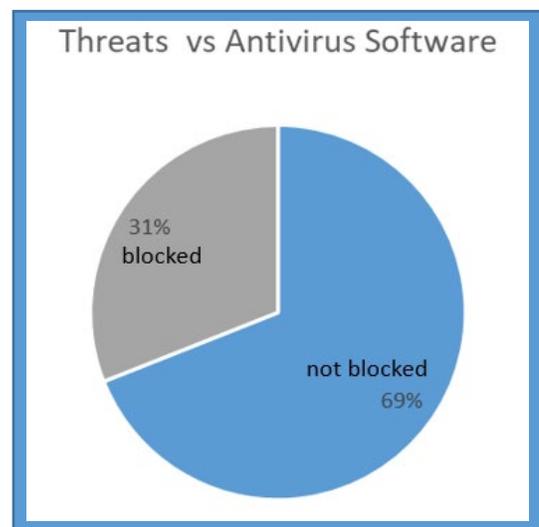
When it comes to wire fraud in the title industry, false security runs rampant. This false security precedes a set of lies commonly believed by agents, due in no small part to the rhetoric surrounding wire fraud. This leads us to discuss and debunk three common lies surrounding wire fraud.

### LIE 1: Wire Fraud is new.

The first recorded incident of wire fraud is nearly impossible to solidify, however, US legislators added legal provisions against wire fraud in 1952. This early introduction to the effects of wire fraud lend to the practices' longevity. In recent years the ID Theft Resources Center calculated that between January 1, 2005 and May 31, 2019, there were 1.48 billion records exposed, which included full names, social security numbers along with a host of other personal data, specific to the title industry. In both size and scope, favor lies with the criminals. Compile that with meager recent attempts at both mass awareness and prevention, there is no wonder that the industry has noticed a 136% increase in global losses, according to the FBI. Trends continue to prove that wire fraud has been and will continue to be a top threat for the title industry.

### LIE 2: You are already protected.

The lie that title agents are protected by built-in firewalls or the hope that people will adhere to security measures consistently fall short in the face of hackers and criminals. In a 2017 Symantec Threat Report, antivirus software blocked 5.4 billion WannaCry virus



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attacks. While that statistic seems impressive, when taking into account *all* viruses and threat, 69% of threats are not blocked by antivirus software.

Concurrently, phishing emails are the root of 71% of wire fraud attacks. Traditional security measures do not protect email users against phishing and with the rise of social engineering, even a seasoned eye can fall victim to phishing emails.

**LIE 3: There's nothing you can do to prevent wire fraud.**

While protecting against wire fraud is more art than science, there are many ways in which a firm can protect themselves, homebuyers and the industry at large. Due to the reliance on phishing emails in wire fraud, secured email becomes more and more important. Email encryption allows for secure flows of information



between parties, a major step toward security against wire fraud. With losses from email compromises alone topping \$150 million, the costs of *not* implementing email security mount daily. A further step could include anti-phishing educational software, through which email users are trained how to spot and report phishing emails.

While the risk associated with wire fraud continues to run rampant, the due diligence of title agents must not waver. Email encryption and education are at the forefront of protection against financial losses, losses in reputation and, in many cases, total loss of the agency.