

Escrow and Title Theft

54th Annual William W. Gibson, Jr.
Mortgage Lending and Servicing Institute
The University of Texas School of Law
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Cyber Threats

- 2016 480% increase in complaints filed by title/escrow companies
- From May 2018 to July 2019 – 100% increase in global exposed losses through Business Email Compromise
- Funds generally diverted to China and Hong Kong – but also UK, Mexico and Turkey
- Hijacking real estate agent, borrower and escrow company emails
 - Real estate agent emails very susceptible
 - gmail/aol other easily accessed email accounts
 - high use of iphones
 - unsecured names/email addresses/escrow numbers/addresses
- Direct to wire funds to erroneous accounts
 - Emails often include transaction specific details
 - Targeting high dollar transactions
 - Increased sophistication – no typos
- **COURTS HAVE SAME TOOLS ... NEW FACTS**
 - Contracts, torts, crimes ... negligence, performance, breach

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Incidents

- October 2013 to July 2019 -
 - U.S. Victims – 69,384
 - U.S. Exposed Dollar Loss: \$10,135,319,091
- June 2016 to July 2019
 - U.S. Victims – 32,367
 - U.S. Exposed Dollar Loss: \$3,543,308,220

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Susceptible

- Hijacking real estate agent, borrower, escrow company, and law firm emails
 - Unsecured Emails
 - Unsecured Provider
 - Gmail
 - Hotmail
 - Aol
 - Yahoo
 - Comcast

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Common

- Hack account
- Bot to identify specific words
 - Settlement, wire, ACH, etc.
- Account accessed when bot triggered
 - Rule to forward emails from specific person
 - Delete from account
- Further communications are from fraudster

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From: John Smith [mailto:crazydude@comcast.net]
Sent: Wednesday, May 27, 2020 11:14 AM
To: Jenny Jones
Subject: RE: [CONTAINS JAVASCRIPT] Settlement Funds Disbursement

Hello Jenny,

I just got off the phone with my accounting team and they just made it clear to me that due to the yearly audit going on at the moment we have updated our banking information. I have the updated wire information from our bank, do I send it to you? please advise.

John Smith
President

On May 27, 2020 at 10:34 AM Jenny Jones <jjones@somelawfirm.com> wrote:

Thank you. I have forwarded the request to the bank.

Jenny Jones, Accounting, Some Law Firm

From: John Smith [mailto:crazydude@comcast.net]
Sent: Wednesday, May 27, 2020 10:26 AM
To: Jenny Jones
Subject: [CONTAINS JAVASCRIPT] Settlement Funds Disbursement

Hello Jenny,

Attached you will find the signed Settlement Funds Disbursement.

John Smith
President

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Title search: Escrow and Title Theft

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