

Wire Fraud – A Memo From Our Broker

Dear Team,

It is my #1 priority to protect our clients in their transactions. Due to an increase in cyber-crime, including electronic funds transfers being diverted by cyber criminals (aka wire fraud) during real estate transactions, I want to arm you with the tools you need in your business to prevent this from happening to your clients.

- Wire fraud happens when a cyber-criminal gains knowledge of the details of a real estate transaction, and impersonates one of the parties of the transaction, usually an escrow officer, and communicates with the client in such a manner that leads the client to believe they are communicating with the correct person, who provides them with false wiring instructions and a large amount of money (usually close to the client's down payment and closing cost amount). The client, if they are not careful to confirm that they are communicating with a legitimate party, often times wires large amounts of money to the criminals account, and that money is lost forever. In some cases, **this is hundreds of thousands of dollars!**
- When writing an offer for a client, you must discuss the Wire Fraud Addendum (Form WFA) with your client in detail. This is automatically included in the Residential Purchase Agreement (RPA), as well as the other Purchase Agreement documents in zipForms.
- When discussing Financing Terms on the offer, please address wiring of funds vs other options such as cashier's check, please advise your client, both verbally and in writing, that ***we strongly recommend that they make all deposits into escrow using a cashier's check by delivering, overnight delivery (Fedex), or courier.*** It is the buyers responsibility to deliver the cashier's check to escrow, the agent is never to be in possession of the check.
- It is recommended that you do not use free email services such as Gmail or Yahoo, but instead use your KW.com email address. Additionally, please get into the habit of regularly changing your passwords on any services you use that contain client information, such as your database email services, iCloud, SkySlope, etc.
- Please add to your email a signature line including this warning: ***** FRAUD WARNING: Cyber-crime and wire fraud crimes are on the rise. We recommend you do not utilize wire transfers during your transaction but deliver cashier's check to escrow directly. This is for your protection. *****

If you feel that any of your systems have been hacked or compromised in any way, please notify your team leader right away and they will direct you to the correct person to help you.

Sincerely,

Beverly Steiner

President/Broker

Keller Williams Realty Danville, Walnut Creek, El Dorado Hills

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