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Wire Fraud Advisory

Nearly every day there is news of yet another internet hack or some new internet scam or fraud regarding personal information. Unfortunately, we are also hearing about the increase of a crime targeting the real estate industry: Wire Transfer Fraud. Criminals have been able to gain access to email accounts, personal information, and bank routing numbers and then misdirect buyer's and seller's funds to the criminal's accounts.

The criminals take advantage of unguarded communications and weak passwords and security measures to set up legitimate looking wiring instructions; some even containing legitimate appearing telephone numbers to confirm these fraudulent wiring instructions.

In order to better alert both buyers and sellers of the need to exercise extreme caution when making wire transfers of their funds, the **California Association of REALTORS'**[®] Standard Forms Committee has authorized the June release of a WIRE FRAUD ADVISORY (WFA).

The Advisory cautions buyers and sellers to be alert to the potential for wire funds transfer scams and fraud. Among the advice for buyers and sellers:

- always call the escrow or bank to confirm escrow instructions
- obtain the telephone numbers of the escrow and bank officers early in the transaction
- and never rely on a telephone number sent in the wiring instructions.

This Advisory can be made a part of the listing package to sellers and a part of the disclosures to buyers early in the transaction for the protection of all parties.