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MEDIA ALERT

Utah Division of Real Estate announces statewide campaign to warn public of real estate email scam that steals millions in loan proceeds via wire fraud
"Fraudsters targeting real estate industry, spoofing emails to trick consumers into diverting millions in loan funds to con artists instead of title companies"

(For immediate release...)

SALT LAKE CITY, Utah – Francine A. Giani, Executive Director of the Utah Department of Commerce, announced today that the Utah Division of Real Estate has launched a new public outreach campaign to warn the public of a rapidly growing email scam that targets property transactions to coerce respondents into wiring down payments and other high dollar real estate proceeds to con artists' accounts. The Division of Real Estate has produced a public service announcement video that is airing on local television stations and a statewide billboard campaign that will reach Utah audiences through the end of August to address this danger.

Investigators report the email scam targets real estate agents, title companies and their email accounts to gain access to message traffic that tips off fraudsters when transactions are scheduled to fund consumer loans. Typically within 24 hours of a transaction closing, scammers will use the email account to send new wiring instructions to the buyer, seller, title or escrow agent, lender, real estate agent or broker, etc. The new wiring instructions often have the funds directed to a bank account outside of the country. By the time the fraud is recognized, the money has already been withdrawn from the fraudulent bank account and it is too late to locate the criminal or recover the funds

"Utah's real estate market is red hot and scammers are looking to profit millions off the backs of our hard working citizens. Be smart and question any email message that looks different from what your real estate agent or title company instructed you to do. If something seems off, call your agent or title company over previously established phone numbers to verify any changes," advised Francine A. Giani.

According to a Federal Bureau of Investigation (FBI) report in 2018, over \$149M dollars were lost by consumers nationwide to this email real estate fraud. FBI investigators estimate Utahns lost over \$20M to this type of scheme in the same year.

“All parties in a real estate transaction should be very wary of any last minute changes over email,” stated Jonathan Stewart, Director of the Utah Division of Real Estate, “Once criminals gain access to your email account, they can make anything sound legitimate. We hope by educating consumers about this statewide email scam, we can prevent Utahns from becoming victims.”

Tips for Real Estate Consumers

1. Be wary of last minute emails with changes to the transaction.
2. Contact email senders by telephone using a phone number you have independently verified.
3. Never send wire transfer information via email. For that matter, never send any sensitive information via email, including banking information, routing numbers, PINS, or any other financial information.
4. Do not email financial information. It's not secure.
5. If you're giving your financial information on the web, make sure the site is secure. Look for a URL that begins with https (the "s" stands for secure). And, instead of clicking a link in an email to go to an organization's site, look up the real URL and type in the web address yourself.
6. Be cautious about opening attachments and downloading files from emails, regardless of who sent them. These files can contain malware that can weaken your computer's security.
7. Keep your operating system, browser, and security software up to date.

Tips for Real Estate Professionals

1. Inform clients from day one about your email and communication practices, and alert them to the possibility of fraudulent activity. Explain that you will never send, or request that they send, sensitive information via email.
2. Prior to wiring any funds, the wirer should contact the intended recipient via a verified telephone number and confirm that the wiring information is accurate. Do not rely on telephone numbers or website addresses provided within an unverified email, as fraudsters often provide their own contact information and set up convincing fake websites in furtherance of their schemes.
3. If a situation arises in which you have no choice but to send information about a transaction via email, make sure to use encrypted email.
4. Security experts often recommend “going with your gut.” Tell clients that if an email or a telephone call ever seems suspicious or “off,” that they should refrain from taking any action until the communication has been

independently verified as legitimate. When it comes to safety and cybersecurity, always err on the side of being overly cautious.

5. If you receive a suspicious email, do not open it. If you have already opened it, do not click on any links contained in the email. Do not open any attachments. Do not call any numbers listed in the email. Do not reply to the email.
6. Clean out your email account on a regular basis. Your emails may establish patterns in your business practice over time that hackers can use against you. In addition, a longstanding backlog of email may contain sensitive information from months or years past. You can always save important emails in a secure location on your internal system or hard drive.
7. Change your usernames and passwords on a regular basis, and make sure your employees and licensees do the same.
8. Never use usernames or passwords that are easy to guess. Never, ever use the password "password."
9. Make sure to implement the most up-to-date firewall and anti-virus technologies in your business.

For more information on real estate fraud and how to avoid becoming a victim, contact the Utah Division of Real Estate by logging on to www.realestate.utah.gov or by calling 801-530-6747.

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