ChicagoBlog

where we share our knowledge

CHICAGO TITLE

Happy Spring! March 2013

ROTATE & CHANGE!

ChicagoAgent 2.0 Lite®

By CHICAGO TITLE

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March Facts & Events 2013

1. March Birthstone: Aquamarine
2. Zodiac Signs: Pisces (February 19 - March 20)
   Aries (March 21 - April 19)
3. March Flower: Daffodil, it symbolizes chivalry, respect, modesty and faithfulness.
4. March 10 : Spring Forward one hour ahead
5. Fruits for the month of March: Pineapples & Mangoes
6. Veggies for the month of March: Broccoli & Lettuce
7. March is Women's History Month
8. March 8 is International Women's Day
9. March 29 is Good Friday

ESCROW CORNER

ONLINE fiancé

An Escrow Officer from the Chicago Title Company's Alameda County, California operation was working with a real estate agent (herein name as Lynn) in San Jose, California on a short sale transaction. On Friday, November 9, 2012 an email was sent from the selling agent to the escrow officer, directing her to wire transfer her portion of the broker's commission in the amount of $5,702.50 to ABC Bank in West Point, Neb. to the account of Beth Black.

On the same day the escrow officer emailed the broker to confirm the wire transfer of funds direct to the agent was approved. The broker confirmed the wire transfer without actually seeing the wire transfer details.

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On Saturday, November 10th, an email sent from the agent to the escrow officer read as follows: "You sent a message to my broker regarding closing…I am confused about the wire instructions?? I did not send you any wire instructions. Please let me know what is going on?? Regards, Lynn." (Sic) Thereafter, the escrow officer received a message saying the previous message was a mistake, and to please send the wire as directed.

On Monday, November 12th, an email went out from the escrow officer that read: "Hi Lynn, Sorry the message was a mistakes. I check very well now as it for other client. Inform how we send your commission." (Sic)

Later that same day, Lynn responded: "Please let me know when the check and the broker's package will be delivered." The escrow officer responded: "Hi Lynn. I will inform you when the check and the package mail out."

On Tuesday, November 13th, the escrow officer initiated the wire transfer to ABC Bank in the amount of $5,702.50. On Tuesday afternoon Lynn indicated she still had not received her commission check. She forwarded the previous emails to the escrow officer and asked if she had sent them. She became suspicious when she noticed the escrow officer's email address was @ctt.com. The emails were coming from @cttt.biz!

The escrow officer in turn forwarded the wire instruction email to the agent. The emails from the agent were not coming from the agent's actual email address – they were originating from a similar email account. Now there were both fake escrow officer and fake agent email addresses.

The agent never requested a wire transfer of her commission. The escrow officer contacted the accounting center with the details and asked them to recall the wire.

On Wednesday, November 14th, the accounting centers attempted to recall the wire, but were unsuccessful as the receiving bank told them the account had been drained to a zero balance. The Chicago Title escrow branch opened a claim to take a loss for the $5,702.50 to pay the agent her commission.

On Thursday, November 15th, the branch notified their IT Director, since the escrow officer's emails had been intercepted and it appeared her account had been hacked. At 5:15 p.m., the IT Director reported the incident to National Escrow Administration and they immediately got involved in recovering the funds.

Our National Escrow Administrator contacted the account holder, Beth Black in Nebraska, and left a message stating the funds were diverted to her account illegally, the police had been contacted, it was urgent she return the funds and call immediately. Much to our surprise Beth called back!

Beth claimed the funds were taken to a Western Union® and sent to her fiancé. She promised to get the funds back from the Western Union office, because she had not transmitted them to him yet.

We asked her why she was sending funds to her fiancé. Beth said her fiancé told her the money would be coming to her account and that she was to take it immediately to a Western Union and forward it to him. She claims she did not know he was doing anything illegal and that she had never really met him.

Lisa asked, "How could you be engaged to someone you never met? How did you come in contact with this man?" She said they met using an online dating service. She said his name was Tito and he had sent all the emails directing people to send funds to her account.

Beth said she almost sent the money to him in the Philippines, but finally figured out what she was doing might be illegal. She promised to return the funds to her bank the following day and direct them to send the funds back to Chicago Title Company.

On Friday, November 16th, our National Escrow Administrator contacted the receiving bank in Nebraska and shared with Gerald, a bank representative, the details of the crime. Gerald was shocked and blurted out, "You just can't fix stupid!" He went on to tell us the bank had received a $6,000 wire on the same day from Title Agency, Inc. in West Palm Beach, Florida to that very same account.

During the conversation, Beth walked into the bank with the cash – $5,702.50 from Chicago Title plus $6,000 from Title Agency, Inc., minus $120 in Western Union Fees. After the cash was counted and deposited, Gerald sent the $5,702.50 back. He then said he would attempt to contact Title Agency, Inc., since they had not tried to recall their wire.

Luckily within two hours, Chicago Title was made whole and received their $5,702.50. In the meantime, we found out Title Agency, Inc. was an agent of our parent company and she reached out to them to let them know their wire had been illegally diverted. They received their $6,000 back minus the $120 in Western Union fees.

Because of this incidence, Chicago Title has now implemented even stricter rules and regulations when receiving wire transfer instructions and if the instructions are for the wire transfer of real estate commission, we ask the instruction to be physically signed by the designated broker. Chicago Title is committed to fight fraud and crime while protecting our client's information is our number one mission.

Always insist on choosing Chicago Title.

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