

The Story

An escrow officer receives unrequested revised payoff instructions for a current transaction with updated wire instructions. The escrow officer then wires the funds using the revised payoff instructions to the revised account. Within minutes the escrow officer receives a phone call from the bank's Security Team alerting that they caught the fraud and were holding the funds. The "bank's" employee repeatedly asked if the wire was sent out.



The Scam

The wire instructions in the revised payoff were indeed fraudulent. The phone call was actually from the fraudsters. This allows the fraudsters time to take the money as the escrow officer is less inclined to contact any alternate parties because he or she believes it is being worked on.

The Lesson

What can we learn from this?

- Always verify wire instructions before sending funds, no matter when or how you receive them.
- Write down as much information as you can get, such as phone number, names and entity they are calling from, when someone calls purporting to be from a bank, lender or law enforcement.
- Immediately after ending that call, call the sending bank, lender, or law enforcement, at a known good number, to verify the phone call you received. Do not call the number you received the initial report on back.
- Follow your company procedures for Wire Fraud Prevention.

