

▶ **THE** dangers of efax



Denise McCormick, Senior Escrow Officer with Ticor Title Company, closed a sale wherein the seller asked Denise to transfer his sales proceeds to an independent escrow company to fund the purchase of an investment property. She agreed and reached out to the escrow officer at the independent escrow company to coordinate the transfer.

The escrow officer emailed over a copy of her assignment of funds, which included her wire instructions. The instructions were not yet executed, but she promised to forward them upon receipt of all the signatures.

Several days later, Celeste Marquez, Jr. Escrow Officer with Ticor Title Company, followed up with the independent escrow officer who said they were still working on obtaining signatures.

The next day, a gentleman purportedly from the independent escrow company called. The conversation was very odd as he was unable to answer questions about the transfer of funds or the transaction. His answers were nonsensical. He also asked questions that made no sense.

The following day, Denise received the fully executed assignment of funds instruction via email. She called the number shown on the assignment. The call went straight to voicemail, which she knew was very odd. A business phone will regularly ring before it goes to voicemail.

Denise looked in the file to confirm she called the correct number. The number in the file was different. She compared the unexecuted assignment of funds she received days earlier against the one just received and noticed the wire instructions had been changed.

Denise called the known, trusted phone number previously provided and verified the wire instructions had been altered. She spoke to the owner of the independent escrow company, who indicated one of her employees was having issues with her efax account.

Upon further review, it appeared the independent escrow company's email accounts may have been compromised, too. Monica, a representative of the independent escrow company, purportedly sent the email with the instructions for the fully executed assignment of funds to Ticor Title and addressed the email to Celeste Marquez, but her last name was spelled with an "s" — Marques.

Another email sent to Celeste (purportedly from Monica) was addressed to Monica (instead of Celeste) and signed from Monica. Celeste believed from all indications that Monica's email had been compromised. Celeste reported this to Denise.

Had Denise relied on the email received — instead of calling to verify the wire instructions received at a known, trusted phone number — the funds would have been wired to a fraudster. The fake seller would have netted nearly \$110,000 in proceeds from the sale.

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