

Real Estate Transaction Scam/Fraud Alert

Criminals Hack Broker Emails to Scam Closing or Earnest Funds.

CTM e-contract Software and the Colorado Association of REALTORS® (CAR) has been made aware of several attempts to deceive real estate agents and title company employees into wiring earnest money and/or closing funds into a fraudulent account. In a small number of cases, these criminals have been successful at misdirecting funds. CTM and CAR encourage all parties involved in real estate transactions to stay vigilant in protecting their information by using common sense and verifying the details of any communication regarding the transfer of money. In many of these cases, there have been red flags that can be an obvious indicator to double check the details of an action. CTM and CAR offers the following information to help you stay informed and to help prevent future theft and fraud.

CTM and CAR offer the following tips to help prevent you from falling victim to this scam/fraud:

- Change your email password often. Do not use that same password on any other website or account.
- Be sure to use a password that is not a common phrase, contains both uppercase and lowercase characters, and with at least one number or punctuation character. This will make it significantly harder for the password to be hacked.
- Verify the agent's email address you are communicating with using information outside of what was sent via email. This can be done by calling the agent's office or making sure it matches what is listed with the local MLS or CTM Software agent database. In the fraud cases we have reviewed, the fake email was very similar with just one character transposed so at first glance it looked the same.
- Use two methods of communication such as phone and email to verify the transaction, especially the wiring information. Be sure to use a phone number that was verified outside of the email as the scammer has been known to change the agent's phone number in the fake emails.
- Be suspicious of wiring instructions that are not to a local title company or real estate company. In the fraudulent cases we have reviewed, the wiring instructions involved banks in a different state, or to a third party that had no relationship to the transaction.
- Be suspicious of unsolicited offers of the wiring instructions or of any changes to the wiring instructions. In the cases we reviewed, the wiring instructions were offered premature to an agreement on price and terms being reached.

CTM Software and CAR take fraud very seriously and are working diligently with law enforcement to actively pursue and prevent this activity from flourishing in our industry. If you believe yourself to be the victim of a scam, or an attempted scam, please contact your local law enforcement agency and file a report. After reporting the fraud to local law enforcement, and after obtaining their permission to do so, please send us an email at fraudalert@ctmsoftware.com providing us as much information as possible, describing what happened, and the dates of the occurrence. Even in failed attempts to fraudulently steal money or affect a transaction, we would appreciate being notified. The best way to prevent this type of fraud is by educating one another and sharing information.