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ALTA Past President Details Wire Fraud Threats During Congressional Testimony

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ALTA Past President Daniel D. Mennenoh ITP, NTP detailed the threat of wire fraud during a Congressional hearing Nov. 1 before the Subcommittee on Financial Institutions and Consumer Credit.

During the hearing titled "Data Security: Vulnerabilities and Opportunities for Improvement," Mennenoh shared that wire fraud scams have increased 480 percent over the past year. These crimes have cost consumers \$5.3 billion.

"The average successful bank robber's haul is \$3,816 while the average successful wire fraud loss is \$129,427," Mennenoh said. "This is a much better return for a much less expensive and dangerous crime to commit."

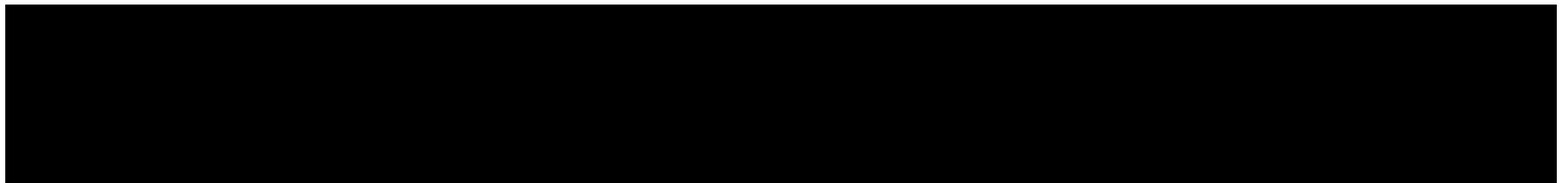
Additional Resources:

- **Written Testimony**
- **Video of Testimony**

Mennenoh outlined various policies and procedures the industry has implemented to prevent the scams, but said there is no silver bullet to protect customer money.

"As an industry we have improved our digital hygiene and taken an array of steps to combat this fraud," he said. "This includes using secured email communications, verifying instructions with buyers using known phone numbers, and asking banks to match both the recipient's account number and payee information when sending wires. We issue warnings to our customers on websites and at the bottom of every email. What is so frustrating is there is no amount of money we can spend to protect our customers from being targeted by these criminals."

Mennenoh suggested two areas of focus to help thwart the crimes. First, he said all parties involved in the real estate transaction—including





real estate agents, banks, policy makers, consumer groups, title insurers, settlement agents and real estate attorneys—need to help educate customers and the dangers and how to protect their data and money.

A second option is that financial institutions should match not only the account number but also the payee's name when there is a wire transfer.

"This simple authentication step can be the single biggest deterrent," Mennenoh said.

To help raise awareness, ALTA has produced a two-minute video that provides tips on how consumers can protect their money and offers advice on what to do if they have been targeted by a scam.

In the wake of Equifax's announcement of a major breach involving the data of nearly one-third of the U.S. population, consumers have become increasingly alarmed about the safety of their personal and financial data. U.S. Rep. Blaine Luetkemeyer (R-MO), , chair of the subcommittee, opened the hearing saying that more than 15 million Americans were victims of cyber fraud or identify theft last year. He said the hearing reiterated the need to work collaboratively, create a prompt notification standard, and foster harmonization among federal and state agencies charged with data security regulation.