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ALERT: Wire Fraud Technique Involving Cryptocurrency

We are seeing an emerging wire fraud technique where criminals attempt to steer buyers into using cryptocurrency to close funds. This approach dramatically increases risk because crypto transactions cannot be reversed.

What Happened (Summary)

- A fraudster gained access to an external party's email account and monitored transaction-related communications.
- As the closing approached, the fraudster began communicating directly with the buyer via email, appearing legitimate.
- The initial wire instructions looked normal and raised no immediate concerns.
- When the fraudster learned that the buyer had funds held at a cryptocurrency exchange, they requested payment to crypto wallets rather than a wire.
- When the crypto transfer could not be completed, the fraudster stayed engaged in the email thread and pivoted back to sending fraudulent wire instructions.
- The buyer ultimately wired funds to the fraudster's account. Recovery is underway due to timing.

Why Cryptocurrency Makes This More Dangerous

If funds are sent to a cryptocurrency wallet, recovery is unlikely:

- Crypto transactions settle almost immediately.
- Transactions cannot be canceled or recalled once sent.
- There is no central authority that can freeze or reverse the transfer.
- Fraudsters can move funds across countries in minutes.

Key Risk for Title and Escrow

Any mention of cryptocurrency as a funding source or payment method should be treated as a high-risk fraud indicator. Criminals are actively listening for opportunities to exploit these situations.

What to Watch For

- Buyers mentioning cryptocurrency exchanges as part of their funding.
- Requests to change payment method or instructions mid-transaction.
- Continued email engagement from a party after an attempted payment fails.
- Increased urgency or reassurance that "everything is fine" despite changes.

Best Practices

- Closing funds should never be sent to cryptocurrency wallets.
- Always verify wire instructions using a trusted phone number obtained outside of email.
- Treat last-minute changes as potentially fraudulent until confirmed verbally.
- Escalate concerns immediately if cryptocurrency is introduced into the conversation.

Fraudsters are adapting quickly. Awareness of this technique can help prevent irreversible losses.