



Escrow Committee Webinar

We will begin shortly

If you have a question during the presentation, please send a message to the presenter using the chat feature.

There will be a portion at the end of the webinar where there will be a Q&A. We will try to get to as many questions as possible.

- This webinar is being recorded and will be available on our website.

The information provided during this webinar is for informational purposes only and is not legal advice. You should contact an attorney to obtain advice with respect to any particular business practice. The opinions expressed during the webinar are the opinions of the individuals and may not reflect the opinions of the department. The information provided may not be applicable in all situations or under all circumstances. You are ultimately responsible for compliance with state and federal law.

Escrow Committee Meeting Agenda
Wednesday, February 19, 2025
9:00 AM
Webinar

Call in number: 1-564-999-2000

Phone conference ID: 550 995 056#

Meeting ID: 268 675 055 464

Meeting password: xB2Tn3SD

[Webinar Link](#)

1. Welcome
2. Approve Meeting Minutes from October 2024
3. Licensing Update
4. Examination Update
5. Enforcement Update
6. Cybersecurity Training
7. Old Business
8. New Business

Committee Members

Laurie LeMay

Susan Berry

Aubry Ludberg

TBD

TBD

Consumer Services Division Representatives:

Ali Higgs, Division Director

Maureen Camp, Licensing Chief

Rick St. Onge, Examinations Chief

James Brusselback, Acting Enforcement Chief

Theresa Williams, Licensing Supervisor

Joepaul Wong, Examinations Supervisor

Yuliya Pine, IT Examinations Supervisor

Kendall Freed, Enforcement Supervisor

Rochelle Henderson, Webinar Facilitator

Escrow Committee Meeting Minutes

October 30, 2024

Attendees:

Committee Members Present

Laurie LeMay
Susan Berry
Aubry Ludberg

Consumer Services Division Representatives

Ali Higgs – Acting Division Director
Maureen Camp – Licensing Chief
Theresa Williams – Licensing Supervisor
Joepaul Wong – Financial Examiner
Rick St. Onge - Examinations Chief
James Brusselback – Enforcement Chief
Kendall Freed – Enforcement Supervisor
Rochelle Henderson – Webinar Facilitator

Meeting called to order at 11:00 AM

Welcome

Quorum was met, July 15, 2024, minutes approved.

Licensing Update

Escrow Agent numbers as of October 30, 2024

- 37 Main Offices (38 reported at July 2024 meeting)
- 4 Branch Offices (4 reported at July 2024 meeting)
- 48 Active Escrow Officers (50 reported at July 2024 meeting)
- 19 Inactive Escrow Officers (21 reported at July 2024 meeting)
- 67 Total Escrow Officers (71 reported at July 2024 meeting)
- Applications Pending – 1

Examinations Update

- 3 Exams completed in July
- 1 Exam completed in August
- 0 Exams completed in September

4 Exams completed from July 1, 2024 – September 30, 2024

Average number of violations per exam: 0

Common Violations

There are no common violations.

Enforcement Update

From July 1, 2024 – September 30, 2024

Enforcement received 8 Escrow complaints and closed 1.

Investigations:

Investigations – Open (EARA only) 2

Investigations – Open (All Industries) 105

Enforcement Actions – EARA

Statement of Charges (issued in period) – 0

Consent Orders (issued in period) – 0

Criminal Referrals – 0

Final Orders (issued in period) – 1

Civil Actions (injunction, enforce subpoena) – 0

Temporary Cease and Desist – 0

Old Business

- None

New Business

- None

Meeting Adjourned at 10:20 AM

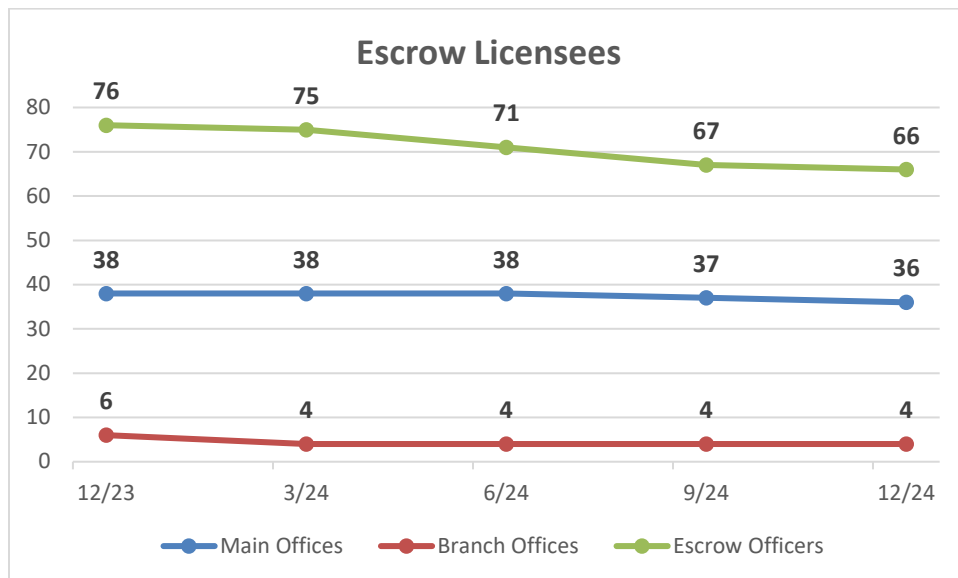
You may listen to a recording of this entire meeting at <https://dfi.wa.gov/escrow-agents/committee>

Escrow Committee

Licensing Unit Quarterly Report February 19, 2025

	Dec 24	Sep 24	Jun 24	Mar 24	Dec 23
Main Offices	36	37	38	38	38
Branch Offices	4	4	4	4	6
Active EOs	47	48	50	53	56
Inactive EOs	19	19	21	22	20
Total EOs	66	67	71	75	76

Escrow Licensee Trends



Licensing Summary

- New Licensees:
 - 1 Escrow Officer Licensee – licensed October 2024
- New Applications:
 - 1 Escrow Agent & DEO Applicant – under review
- Update from Renewals
 - 33 Escrow Agents renewed, 4 branch licensees renewed
 - 1 Escrow Agent plans a late renewal
 - 1 Escrow Agent plans to close shortly
 - 1 Escrow Agent entered closure process

CS - Examination Unit Report

Escrow Program

February 19, 2025

Examination Summary

- 0 Exam completed in October
- 0 Exams completed in November
- 0 Exams completed in December



No exams conducted during the period of October 1, 2024 to December 31, 2024

Average number of violations per exam: N/A

Composite Rating	Number of Exams	Previous Avg. Exam Cost	Current Avg. Exam Cost	Exam Cost Change
1	4	\$ 1,634.62	N/A	N/A
2	0	\$ 1,898.99	N/A	N/A
3	0	\$ 2,577.30	N/A	N/A
4	0	\$ 4,187.50	N/A	N/A
5	0	\$ 19,343.75	N/A	N/A
No Rating	0	N/A	N/A	N/A

Update

The Department will begin training examiners soon to conduct escrow exams with the goal of restarting the escrow examination program sometime in 2025.

Escrow Committee
Enforcement Unit Quarterly Report
October 1, 2024 – December 31, 2024

Complaints	EARA Quarter	EARA 2024	All Industries Quarter
Received in period	5	21	234
Closed in period	7	13	193
Open as of 12/31/2024	EARA 13	Other Industries 363	Total Open 376

Investigations – Open (EARA only) 4

Investigations – Open (all industries) 107

Enforcement Actions in period	
CCSA	0
CLA	3
EARA	2
MBPA	5
UMSA	2

Enforcement Actions Issued in Period – EARA

Statement of Charges	0
Consent Orders	0
Final Orders	1
Civil Actions: (injunction, enforce subpoena)	0
Temporary Cease and Desist	1

EARA Temporary Orders to Cease and Desist

C-24-3876-24-TD01 – Empire Escrow LLC 12/06/2024

EARA Final Orders

C-24-3876-24-FO01 – Empire Escrow LLC 12/30/2024

Wire Transfer Fraud

Division of Consumer Services, DFI

Yuliya Pine, IT Financial Examiner Supervisor



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What is a wire transfer?

- ▶ A wire transfer is a common way to electronically move money from one bank account to another. They can be domestic (between two U.S. accounts) or between a U.S. and an international account.



Business Email Compromise (BEC)

BEC is a common type of fraud. It also known as email account compromise (EAC)—criminals send an email message that appears to come from a known source making a legitimate request, like in these examples:

- ▶ The vendor your company regularly deals with, sends an invoice with an updated mailing address/bank account.
- ▶ Homebuyer that receives a message from their title company with instructions on how to wire their down payment.



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Step 1: Identifying a Target



Organized crime groups target businesses in the U.S. and abroad by exporting information available online to develop a profile on the company and its executives.

Step 2: Grooming



Spearphishing emails and/or phone calls target a victim company's officials (typically in the financial department).

Perpetrators use persuasion and pressure to manipulate and exploit employees' human nature.

Grooming may occur over a few days or weeks.

Step 3: Exchange of Information



The victim is convinced they are conducting a legitimate business transaction. The unwitting victim is then provided wiring instructions.

Step 4: Wire Transfer



Upon transfers, the funds are steered to a bank account control by the organized crime group.*



*Note: Perpetrators may continue to groom the victims into transferring more funds.



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How BEC scams work?

- ▶ **Spoof** an email account or website. Slight variations on legitimate addresses fool victims into thinking fake accounts are authentic.
- ▶ **Use Malware** a malicious software can infiltrate company networks and gain access to legitimate email threads about billing and invoices. That information is used to time requests or send messages, so accountants or financial officers don't question payment requests. Malware also lets criminals gain undetected access to a victim's data, including passwords, and financial account information.

From: Sally S <SallyS@titlecompany.com>

To: Michael M <EscrowOfficer@escrowcompany.com>

Date: Monday, February 17, 2025 9:30 AM

Subject: 111 Green Street, Olympia, WA, 43553 Wire instructions

Good morning,

Please provide your wire instructions for the upcoming closing on 02/20/25 for 111 Green Street, Olympia, WA, 43553.

Best Regards,

Sally S,

TitleCompany, Inc.

From: Michael M <EscrowOfficer@escrowcompany.com>

To: Sally S <SallyS@titlecompany.com>

Date: Monday, February 17, 2025 10:39 AM

Subject: Re: 111 Green Street, Olympia, WA, 43553 Wire instructions

Hi Sally,

Attached are the wire transfer details for the upcoming closing on February 20, 2025. Please ensure the funds are wired to our escrow account by 4 PM on February 19 to avoid any delays.

Bank Name: [Legitimate Bank]

Account Name: [Escrow Account]

Routing Number: 123456789

Account Number: 987654321

Let me know once the transfer is initiated. Feel free to call me at (555) 224-2424 if you have any questions.

Best,

Michael M

Escrow Officer

Escrow Company

 Attachment: Wire_Transfer_Instructions.pdf



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From: Michael M <EscrowOfficer@escrowcompany.com>
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Best,

Michael M

Escrow Officer

Escrow Company

Attachment: Wire_Transfer_Instructions.pdf



From: Michael <EscrowOfficer@gmail.com>

To: Sally S <SallyS@titlecompany.com>

Date: Monday, February 19, 2025 4:23 AM

Subject: [URGENT] Re: 111 Green Street, Olympia, WA, 43553 Wire instructions

Hi Sally,

Please note that due to an account reconciliation issue, we have had to update our escrow account details for this transaction. Use the new banking details below for the wire transfer.

Bank Name: [Fraudulent Bank]

Account Name: [Fake Escrow Holding]

Routing Number: 987654321

Account Number: 1122334455

It is critical that this transfer is completed by 2 PM today to ensure a smooth closing process. Please reply once the wire has been sent. Due to a high volume of calls today, I may be unable to answer the phone immediately, so email is the best way to confirm.

Best,

Michael

Escrow Officer

Escrow Company

Attachment: Wire_Transfer_Instructions.pdf



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Warning Signs / Red Flags

- ▶ Unexpected changes in payment instructions
- ▶ Urgent or last-minute requests
- ▶ Emails from unfamiliar addresses
- ▶ Emails with errors or inconsistent details
- ▶ Emails that request confidential information



From: Michael <EscrowOfficer@gmail.com>

To: Sally S <SallyS@titlecompany.com>

Date: Monday, February 19, 2025 4:23 AM

Subject: [URGENT] Re: 111 Green Street, Olympia, WA, 43553 Wire instructions



Gggghhhh <escrowescrow@gmail.com>

Michael <EscrowOfficer@gmail.com>

Michael M <EscrowOfficer@escrowcompany.co>

Michael M <EscrowOfficer@escrowcompany.com>

(Is it **O** (upper case O) or **0** (zero)?)

Non - Exclusive Self-Protection Steps



Implement policy to enforce verification of wire transfer details in person or via a phone call using previously known and verified contact number. Email communication alone should never be used to confirm wire instructions.



Use multi-factor authentication (MFA).



Use secure communication channels, encrypt your email.

Non - Exclusive Self-Protection Steps



Educate and train employees.



Keep your operating system and software up to date on all your devices.



Implement cybersecurity best practices.

Is your password secure?



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TIME IT TAKES A HACKER TO BRUTE FORCE YOUR PASSWORD

2021

Number of Characters	Numbers Only	Lowercase Letters	Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters, Symbols
4	Instantly	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	Instantly	Instantly	Instantly
6	Instantly	Instantly	Instantly	1 sec	5 secs
7	Instantly	Instantly	25 secs	1 min	6 mins
8	Instantly	5 secs	22 mins	1 hour	8 hours
9	Instantly	2 mins	19 hours	3 days	3 weeks
10	Instantly	58 mins	1 month	7 months	5 years
11	2 secs	1 day	5 years	41 years	400 years
12	25 secs	3 weeks	300 years	2k years	34k years
13	4 mins	1 year	16k years	100k years	2m years
14	41 mins	51 years	800k years	9m years	200m years
15	6 hours	1k years	43m years	600m years	15 bn years
16	2 days	34k years	2bn years	37bn years	1tn years
17	4 weeks	800k years	100bn years	2tn years	93tn years
18	9 months	23m years	6tn years	100 tn years	7qd years



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TIME IT TAKES A HACKER TO BRUTE FORCE YOUR PASSWORD IN 2023

Number of Characters	Numbers Only	Lowercase Letters	Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters, Symbols
4	Instantly	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	Instantly	Instantly	Instantly
6	Instantly	Instantly	Instantly	Instantly	Instantly
7	Instantly	Instantly	1 sec	2 secs	4 secs
8	Instantly	Instantly	28 secs	2 mins	5 mins
9	Instantly	3 secs	24 mins	2 hours	6 hours
10	Instantly	1 min	21 hours	5 days	2 weeks
11	Instantly	32 mins	1 month	10 months	3 years
12	1 sec	14 hours	6 years	53 years	226 years
13	5 secs	2 weeks	332 years	3k years	15k years
14	52 secs	1 year	17k years	202k years	1m years
15	9 mins	27 years	898k years	12m years	77m years
16	1 hour	713 years	46m years	779m years	5bn years
17	14 hours	18k years	2bn years	48bn years	380bn years
18	6 days	481k years	126bn years	2tn years	26tn years



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Sources

1. <https://www.consumerfinance.gov/ask-cfpb/what-is-a-wire-transfer-en-1163/>
2. <https://www.fbi.gov/how-we-can-help-you/scams-and-safety/common-frauds-and-scams/business-email-compromise>
3. <https://www.fbi.gov/image-repository/business-email-compromise-timeline-050222.jpg>
4. <https://phishingquiz.withgoogle.com/>



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Questions?

Yuliya Pine, CISSP
IT Financial Supervisor
Yuliya.Pine@dfi.wa.gov

