



By Lisa A. Tyler
National Escrow Administrator

In 2019, we published a series of articles reinforcing the value of title insurance — our core product. Title insurance is an amazing, unique product which protects the American dream of homeownership. The national escrow administration team is always awed by the talented title officers and underwriters we have the pleasure to call colleagues. The story entitled “FRAUGERY” reveals some fraud and some forgery. It demonstrates the value of title insurance, and the importance of the title search and title clearance process.

Mobile driver’s licenses are a thing of the near future. Several states are currently testing mobile applications which would enable a user to access a digital form of a driver’s license or state issued

identification in a secure app. In October 2019, Colorado authorized and legalized digital driver’s licenses and identification cards. Read “COMING soon! digital driver’s licenses.”

Unlike the skimming devices used on automated teller machines (ATMs) and gas pumping stations, the e-skimmer exploits weak links in a company’s online ordering site. When e-skimming occurs, an online shopper is unknowingly redirected to a malicious site where a skimming code is used to capture the customer’s credit card information from what appears to be the check-out page. Read “WHAT is e-skimming?” for an eye-popping look at the latest cybercrime.

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FRAUGERY

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Lisa A. Tyler
National Escrow Administrator



Gabriela "Gabby" Soto, Assistant Vice President, Assistant Branch Manager and Escrow Officer for Fidelity National Title Agency, was hard at work clearing title for a refinance. The Commitment for Title Insurance revealed the borrower had two liens. One where the previous lender was also the current lender and a second where a private party was the lender. This was no surprise.

The loan officer with the lending bank coordinated with Gabby to obtain payoff demands. After receiving the payoff demands, the lender determined the new loan would be for \$960,000 and would consolidate the two loan balances to one. Closing was tentatively scheduled for January 30, 2020.

Gabby placed an order with her title department to have the Commitment updated to reflect the new loan amount, in order for the loan officer to include it with his final package to the lender's underwriting department.

The updated Commitment revealed that on January 9, 2020, a Release and Reconveyance of Deed of Trust of the first lien was recorded. Title added a new requirement to obtain a letter from the bank stating the loan was paid in full. Gabby requested it from the loan officer, since the payoff lender and the new lender were the same banking institution.

The loan officer responded right away stating the loan was not paid. It would be paid in full once the refinance closed at the end of the month. The loan officer also noted the person who signed the Release and Reconveyance did not work for his bank. The officer did not recognize the notary's name either.

Gabby notified Diane Davis, Residential Title Officer, who replied, "And THAT is why we double check recent releases." The loan officer continued to work towards closing and called the borrower, who also knew nothing about the release.

Jennifer L. Douthit, Vice President, Escrow Administrator, sent in this nomination. She was so proud of Gabby for calling for the updated Commitment and requesting a zero payoff demand from the payoff lender. She said, "I just wanted to share a success story where one of our amazing Escrow Officers followed her gut and Company policy, and found a fraudulently recorded release prior to closing. I love when we do things right."

National Escrow Administration found Gabby's actions to be outstanding and for this she is being rewarded \$1,500. Keep up the good work!



MORAL OF THE STORY

As a reminder, here are some of the values of title insurance:

- » Title problems are discovered in more than *one-third* of residential real estate transactions. These "defects" must be resolved prior to closing. The most common problems are *existing liens, unpaid mortgages, and recording errors of names, addresses or legal descriptions.*
- FNF relies on a *thorough search* of existing records to identify possible defects in order to resolve them prior to issuing a policy. Intensive and expensive work is performed *up-front* to minimize claims. The better we do this, the lower our number of claims.
- Researching titles is extremely *labor-intensive*, since only about 15 percent of public records are computerized. The industry invests a substantial amount of time and expense to collect and evaluate title records.

Keeping these values in mind, Diana Hoffman, Corporate Escrow Administrator, confirmed the release was flagged in the title plant. She kept reviewing the release and reconveyance, which appeared to have been prepared by another title insurance company.

Diana wondered if the release and reconveyance had a typo or whether it was forged all together. She decided to contact the other title company to confirm. She emailed the release and reconveyance to their division manager who replied within 30 minutes.

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TELL US HOW YOU STOPPED FRAUD

settlement@fnf.com or
949.622.4425

MORAL OF THE STORY (continued)

The division manager replied saying, “Thank you for bringing this to my attention. It is fraud. It is not our form and they have our name at the top incorrect, but it is the correct address of our title department. And they used our escrow number from the file where the borrower put a second on the property with a private lender. In the notary block it has the correct name of our title manager, but he certainly didn’t sign it. Thank you again for sending it.”

Although title insurance companies are competitors, they do invest collectively in title plants and all rely on the accuracy of those plants. Anything that can be done to protect the integrity of the public record system is beneficial to everyone. In this example, passing on the suspicious document proved to be beneficial to all.

Article provided by contributing author: Diana Hoffman, Corporate Escrow Administrator • Fidelity National Title Group • National Escrow Administration

COMING soon! digital driver’s licenses

Colorado residents can create an electronic version of their Colorado driver license or state identification card. They are available in Colorado through the mobile app, myColorado™.

The app provides residents with secure and convenient access anytime, anywhere since the mobile driver's license is accessed through an app on the owner's smartphone and is opened/unlocked by entering a user-created PIN or facial recognition.

The identification is then displayed on the smartphone and can be used within the state as proof of identification, age and address. The driver's license or I.D. is a secure, unique visual representation of the physical format of a person's identification.

It is important to note the digital version is **currently only authorized for in-state use and non-law enforcement activities**. Residents are urged to continue to take their physical I.D. wherever they go.

What is the benefit? The app provides enhanced privacy for age verification. The digital form does not show a person's address, license number or birthdate. Instead, it simply displays a photo and verifies if the person is either:

- » 18 years of age or older, or
- » 21 years of age or older

For now, the option is new and has a lot of kinks to be worked out but will soon become as common as some of the online wallet options smartphone users utilize. In the meantime, most of us are still physically carrying around that antiquated card with our picture on it. Here is the latest list of the built-in security features of our dinosaur I.D.'s for each state, compliments of Tom Scalfani from Fraud Fighter™.

REAL ID compliant licenses and ID cards have a star in the upper corner



2019 STATE DRIVER LICENSES UV Security Features Visible When Using Your “Fraud Fighter™” UV Detector



Alabama	Current license: Under UV state’s seal will appear on front and the State Seal will overlap upper right corner of photo and state outline will appear twice on left side of license.
Alaska	Current license (2019): Under UV a blue outline of the state with green Big Dipper constellation. Alaska in upper left corner, on back Green Whale with blue bubbles. Prior ID: Fine line pattern over personal data and image.
Arizona	Current license (new): On BACK of license a “ghost” image of license holder and birthday visible under UV. Prior license shows State Seal on front under UV light.
Arkansas	Current license (2018): Ghost image overlaps original photo. First and last initials plus birth year (“NS60”); intricate pattern of gems, leaves and circles/geometric shapes. Prior ID: The state outline appears random in three rows across top, middle and bottom on front under UV light.
California	Current license (2017): Birthdate appears vertical on upper left of photo and image of Golden Gate Bridge and Coit Tower appear on front under UV light. Prior license: A second ghost image will appear above the B&W portrait and birthdate will vertically appear across front color photo.
Colorado	Current: Outline of Mt. Sneffels w/“Colorado” in blue. Donor “heart” surrounded by triangle in lower left and large letter “C” in lower right. Back: Outline of capitol building and words “State of Colorado.”
Connecticut	Current license: Under UV “Connecticut” airplane, whale and wavy lines appear on front, on back a ghost image of card holder and birthday appear. Prior: Under UV license number, holder’s name, birth date and two lighthouses visible on front in UV ink. On back repeating state name inside state outline visible.
Delaware	Current license (2018): A ghost image overlaps original photo; First and Last initials plus birth year (“JS20”); Spiral Line w/“We the People” Horse and Rider appear under UV.
District of Columbia	Current License (2017): “DCDCDCDC” appears above photo and wavy lines across front of license, stars and other features appear on the back under UV. Back of license: Pattern of glowing stars and “DC” repeats along the top.
Florida	Current StarID (2017): On front two bands of “FL” repeat diagonally, state outline, a ghost image appears, Florida state outline and year of birth preceded by “FD.” Prior license: Secondary ghost image and holder’s name on the portrait visible.
Georgia	Current IDs (both regular and Gold StarID): On front State Seal and “Georgia” in OVI that glows under UV light.
Hawaii	Current: A row of Hibiscus flower repeats ON BACK of license under UV light.
Idaho	Current (fine line background) (2017): State bird appears in center framed by concentric circles, “IDAHO” on back. Prior license: On front a partial state outline and “IDAHO” appears twice.
Illinois	Current license: On front wavy lines across entire license, top hat appears on Lincoln, on back card holder ghost image and birthdate appear. Prior ID: “Illinois” and a wavy pattern on the top of document.
Indiana	Current license: A second ghost image, holder’s name, birth date across top and bottom of larger photo visible under UV light.
Iowa	Current license (REAL ID): On front Capitol building with circle and stars and “Iowa” around it, ghost image (green). Prior: Holder’s name, birth date and ghost image appear under UV light.
Kansas	Current license (2018): On front glowing skyline with wavy lines; repeating “KANSAS” & “KS” lettering; large golden starburst. Back: Ghost image and birthdate. Prior ID: Will display one state flower on the front, on back card holder’s ghost image and birthdate will appear under UV light.
Kentucky	Current License - REAL ID: No UV security information currently available. Prior ID: “THE BLUE GRASS STATE” repeats several times to the right of the card holder’s picture on front under UV light.
Louisiana	Current License: “Louisiana” repeats on top of ID and “JUSTICE” repeats on bottom under UV.
Maine	New REAL ID in 2019: May have a UV feature but no image available.

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[COMING soon! digital driver's licenses – continued]

Maryland	Current license: State Seal, State outline, Capitol building, fishnet pattern across phone glow yellow-blue under UV. Prior license: State Seal appears in across front.
Massachusetts	Current License: Portions of state outline, state seal and Capitol building fluoresce, also "MASSACHUSETTS" appears behind signature line. Prior License: Staggered State Seal repeating in UV ink on front.
Michigan	Current License: The State Seal appears centered on front, on back birthdate and ghost image under UV.
Minnesota	Current License: State Seal and Minnesota State shape (w/"1858" in center) surrounded by wavy fine-line pattern. Prior license: Large color State Seal appears on front under UV light.
Mississippi	Current and prior licenses: State Seal and outline letters "DPS" appear under UV light.
Missouri	New star REAL ID (released in 2018), both current and prior IDs: Very similar in UV design, pattern of stars and State Seal in upper right under UV, newer REAL ID will also show "MISSOURI."
Montana	Current license: Image of "moonrise over mountains" and intricate floral pattern on top of holder's picture. On back ghost image and birthday appear under UV light.
Nebraska	Current REAL ID: On front, glowing "fishnet" pattern covers main photo, large State Seal, letters "Ne" and star appear. On back, UV ghost image of cardholder. Prior: State seal, small star and "Ne" appear.
Nevada	Current license: Repeating State Seals appear on upper front under UV light.
New Hampshire	Current license (2017): Fine wavy lines and random pattern of state outlines on front, on back State Seal appears under UV light. Prior license: On front "New Hampshire" appears twice vertically at left and right edges.
New Jersey	Current license: On front "NEW JERSEY" repeats across on top and bottom of license with images of state outline across the middle.
New Mexico	Current license: On front "NEW" and "MEXICO" repeat diagonally across the center, a row of small squares visible on bottom and three diamonds appear across top. Prior license on back state name and symbol appear.
New York	Current license: Under UV pattern of glowing sunbursts appears over the photo, "New York State" lettering inside state outline and various other features. Prior license: Large coat of arms appears in center with smaller coat of arms on top of photo. "NY" lettering will glow across back.
North Carolina	Current ID: Under UV a twisting ribbon pattern will appear across the top and bottom of the license and a downward ribbon with "North Carolina" written inside. On back portrait ghost image with last name and birthday.
North Dakota	Current ID: On front under UV, "North Dakota Peace Garden State" repeats along top and bottom and image of state bird fluoresces under UV light.
Ohio	Current license: On front, "OHIO" on bottom with pink and blue radiating beams, State Seal and "OH - STATE OF OHIO" repeats in alternate colors. Prior license: "OHIO - 1803" and two State Seals visible under UV.
Oklahoma	Current and prior license: Repeating pattern of State Seal and the Dept. of Public Safety seal across front under UV light.
Oregon	Current license (2018): "OREGON" diagonal across front, State Seal on back. Prior "Oregon" repeats diagonally in the upper middle of license under UV light.
Pennsylvania	Current license (2017): Intricate scrolling fine line on top and bottom and pattern of "keystones" in the middle. Prior has keystone outline with enclosing "PA" repeating across top and on back "PA" repeats on back in UV.
Rhode Island	Current license: Outline of the bridge, beams from the lighthouse and fishnet pattern glow under UV. Prior license: State flag emblem (anchor surrounded by stars) visible on front center under UV light.
South Carolina	Current license: State outline surrounded by oval spiral line pattern. Prior license: Palmetto tree with crescent moon appears on front center under UV light.
South Dakota	Current license (2017): On front, Date of Birth, "South Dakota," repeating text ribbon, UV ghost image of ID hold, 1889 w/start under UV. Prior license: Same as current but without "1889" and birth date not always present.
Tennessee	Current license: Repeating pattern on front featuring State Seal, state outline and the word "Tennessee" which can be read upside down or right-side up. Prior license: No UV features.
Texas	Current license (2017): Fine line wavy ribbon pattern and stars on front under UV. Prior license: The seal and the first of the three stars on front and on back ghost image and birth date will fluoresce under UV light.
Utah	Current license (2016): Fine line "oscillating" and wavy lines glow across front under UV light. Prior ID: "UT" repeating in two rows across license under UV light, the top row will be upside down.
Vermont	Current license (REAL ID): On front, State Flowers and butterflies in red. "VT" repeats across the back. Prior license: "Vermont" appears and repeats diagonally across top and horizontally across bottom front of license.
Virginia	Current license (2017): State Seal, DMV logo and text visible under UV light.
Washington	Current and prior licenses: Display glowing Washington hologram and State Seal across the front. On back State Seal repeats.
West Virginia	Current license (2017) and prior license: Display "West Virginia" and the State Seal on back under UV.
Wisconsin	Current license: State Seal, State Outline, "Wisconsin" in different print size and fine-line patterns on front. Prior license: State Seal, "W" and "1848" in yellow under UV light.
Wyoming	Current (2017): Is identical to prior license but gold star in upper right corner, both display a large ghost image, holder's name and birthday will appear in center on front under UV light.

Passports, Passport Cards, Consular Cards (Mexico, Argentina, Columbia, South Korea and Peru), Resident Alien/Green Cards also include security UV features that can be verified using a UV "Fraud Fighter™" detector. Contact UVeritech to order the Fraud Fighter Driver License UV Security Feature Reference Guide that shows the color UV security images of all state IDs and other government IDs. 800.883.8822
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WHAT is e-skimming?

According to Cyber Security experts, when e-skimming occurs, an online shopper's credit card information is skimmed from the merchandise checkout page. Then it is stored and sold in bulk on the dark web or used to make new purchases.

Since the card is stolen during a valid purchase, the skimmers know the card is active and available for use, making it extremely valuable. This type of attack is referred to as "Magecart skimming." Magecart refers to cyberattacks in which hackers implant malicious computer code into websites, in order to steal credit card information as a shopper enters it during online checkout.

To help protect a consumer from becoming victim to an e-skimming crime, experts recommend the **consumer to not use their debit card when shopping online.** This practice reduces the exposure of theft of the funds in their bank account. Also, it

is recommended to shop online with a company that has already stored the consumer's credit card information, so it does not have to be entered again — into a possibly malicious site.

Experts suggest using mobile payment systems when available, as they are less vulnerable to e-skimming, since the mobile payment system sends a one-time token of credit card information. Even if criminals skim the purchase at checkout, they will only have access to the token — not the actual credit card information.

Next month's **cyber buzz** article explains how the use of electronic currency has continued to expand within the real estate industry. While the process of using electronic currency has not changed the technology behind it, blockchain and tokenization may change the way real estate is owned. Read all about it next month.