

AI Gage Report

February 2022

They Are Looking For You!

So imagine, if you will, that you have spent the last 6 months writing offers on 27 different homes before you were finally successful in obtaining an accepted contract on a home. You wire your \$5,000 earnest money to the title company, per the instructions that they gave to you via email, and you confirmed by phone.

You fight your way through the inspection. There are some significant repairs that the seller does not completely agree to repair, but being pretty handy, you can take care of those yourself. The appraisal comes in \$5,000 dollars short and you have to pay the difference, because according to the contract you waived up to \$10,000 in appraisal shortfall.

The purchase price is \$550,000, but combined with most of your life savings and the proceeds from the sale of another home, you can pay for the home in cash. **Seven or so days before the closing, you receive an email from the title company telling you to wire the money in early, so that closing will not be delayed and this is fairly urgent to avoid a delay.** You notice a couple misspelled words, but check and it is from the title company.

You proceed to your bank and dutifully wire in the amount of \$547,345, as requested, and are happy that closing costs and prorations are less than anticipated. Since you are cautious, you keep a copy of the email and the receipt for

the wire. A few days later, **the mobile notary arrives to sign your closing documents and provides you with wiring instruction to wire \$551,286 to the title company** and to call to verify the wiring instructions before you send the wire.



Suddenly you have that sinking feeling in your stomach that approaches a near death experience. You rush to your email, and to your profound dismay, find that the domain name of the email asking for the original wire is different by one letter. All the rest of the signature line is perfect including fonts and colors.

You frantically call your bank to try to stop the wire and report the fraud, but your bank informs you that the wire was sent and received two days ago. When your bank attempts to retrieve the payment from the other bank, they are informed the account has been closed and was likely under some kind of fictitious name.

Sadly, you have likely lost your life savings and the proceeds of the sale of your home. As you are talking to the FBI, they offer little to no prospect of recovering your funds if the perpetrator

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is ever caught. You are speaking to the FBI, because Wire Fraud is a Federal Crime.

Perhaps the Title Companies or Real Estate Agent's insurance will pay, but probably not, and here is why; You voluntarily wired money to an active account. The fact that the Title Company was impersonated by the hacker does not make either the Title Company or the agents responsible in my opinion, but the courts and judges will likely decide this case.

This entire story is fictional and does not involve any agent or title company that I know or am associated with. Many title companies have switched to encrypted email to prevent this kind of fraud.

Could this have been prevented? Of course. One of the benefits of working with a smaller team, such as my wife and I, is that you recognize our voices on the phone and we recognize yours. In this instance, a simple phone call to us, as the agents, would have caused us to call the title company (where we know their voices and phone numbers) and verify the wire request. Even if the

buyer had called the phone number on any of the US mail documents, this could have been prevented.

This may have you scratching your head just a bit. Yes, it is possible for the hacker to impersonate the Title Company, ask you to call to verify at the number listed on the email and do a live verification on the phone, all of which is fraudulent.

I know of a recent wire fraud that was not part of a real estate transaction that was even more sophisticated. In this instance, the hacker intervened in the middle of an email string, including the prior email conversations, from the actual email address requesting payment. They diverted the wire instructions to their fraudulent bank account. There was a little variation in the syntax of the emails but not enough to raise suspicion from four different viewers. This particular fraud occurred among parties that infrequently send wire or ACH (Automated Clearing House) transfers, so this particular hacker either had to be very patient or it was some form of an inside job.

The bottom line here is this level of fraud is not a phone call to grandma

saying her grandson is in jail in Mexico and needs bail money. These hackers are good at what they do and have now perfected actually intercepting emails in the midst of a chain. It is important in any kind of real estate or other type of transaction that you verify the recipient of your money.

Three easy steps:

1. **Call your agent before you wire!**
2. **Call the proposed recipient of the wire at an independently verified phone number before you wire.**
3. **Send the wire only when you and your agent are satisfied.**

None of my clients have ever been the victim of such fraud, but the sums of money involved at this point make us all attractive targets.



If you want the best protections available from an experienced agent, call the AI Gage Team at 623.536.8200 or email us at al@algage.com

Find us on  /AIGagePC

Terri's Tips: Chocolate Cobbler

Courtesy of Elizabeth Heiskell

INGREDIENTS

2 sticks butter (melted)
1 ½ cups self-rising flour

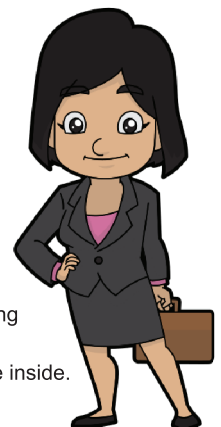
¾ cups milk
1 Tablespoon vanilla
2 ½ cups sugar

6 Tablespoons cocoa powder
¾ cup very hot water

DIRECTIONS



Preheat the oven to 350 degrees F.
Pour melted butter into a 9x13 inch baking dish
In a mixing bowl, combine the self-rising flour, milk vanilla and 1 ½ cups of sugar. Mix well and pour over melted butter. In another bowl, mix cocoa powder and remaining cup of sugar. Sift over the baking dish with the melted butter and flour mixture. Pour ¾ to 1 cup of very hot water over top. Bake until firm on top but still gooey on the inside. 30-35 minutes.





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Go to www.al@algage.com/SubscribeToENewsletter.html or just send us an email with your address and subdivision. We now offer individual subdivision reports. Stay up to date with the current news, right in your inbox. Subscribers are placed in a drawing to win a set of FREE gift cards! 2 gift cards will be given out this month! Please share this opportunity with family, friends, and neighbors.

featured listings



1936 N. 128th Dr.

A fabulous Jerome Model featuring 3 BR, 2 BA, great room, lots of tile, RV gate and two storage sheds in Rancho Santa Fe!

**SOLD \$20,000 over list
by Al Gage for \$365,000**



13816 W. Cheery Lynn Rd.

A 2216 S.F., 4 BR, 2 BA, 3 car garage, huge suite with shower & jet tub, granite counters & lots of tile in Fulton Estates!

Listed by Al Gage for \$470,000



3720 S. 102nd Ln.

A spectacular and well maintained home featuring 2216 S.F., 4 BR, 2 BA, split floorplan, with a three car tandem garage.

Listed by Al Gage for \$450,000



1805 N. 114th Ave.

A spectacular home featuring over 3200 S.F., 4 BR, 3.5 BA, two owner's suites, two pergolas, sauna, spa and 3 car garage in Donatela Phase 1!

Listed by Al Gage for \$570,000

What's My Home Worth?

Email Al at al@algage.com with the address, a list of upgrades, the current condition of the property rated < from 1 being terrible condition and 5 being model perfect > and he will personally prepare a professional market analysis of your home free of charge. Use "What's my home worth?" in the subject line and also include the purpose of the evaluation in the email.

No automated valuations here!

Want a current and local Market Update? Go to www.algage.com/February2022MarketUpdates.html

In 2021, Al Gage successfully represented **133%** more clients than the closest competitor and **216%** more than the average of the Top Ten Agents in your neighborhood! #1 in your neighborhood eight years in a row!



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Goodyear, AZ 85395

Hello.

Interesting And Helpful
Real Estate Info
Just For You

Local Postal Customer

Over 1400 Homes Sold in Avondale and Litchfield Park!

Subdivisions	Home Levels	2020 Sales #s	2020 Price/SF	2020 Days on Market	2021 Sales #s	2021 Price/SF	2021 Days on Market	% Change In Price per SF	Jan 2022 Sales #s	Jan 2022 Price/SF	Jan 2022 Days on Market
Cortes Sierra/Sage Creek/Las Palmeras	1	61	167.3	23	66	211.0	21	26.12%	2	266.0	21
Cortes Sierra/Sage Creek/Las Palmeras	Multi	31	138.7	36	49	174.7	24	25.95%	4	199.8	30
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	1	99	162.1	35	84	212.7	16	31.21%	3	252.7	25
Crystal Gardens, Crystal Ridge, Crystal Point, Upland Park and Donatella I	Multi	32	135.3	37	34	180.1	22	33.11%	1	245.2	2
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	1	29	156.3	27	37	221.6	20	34.77%	3	210.2	29
Garden Park, Palm Meadows, Palm Gardens and Donatella Phase 2	Multi	17	120.5	30	15	162.4	30	41.77%	2	202.6	9
Rancho Santa Fe	1	68	160.2	29	85	213.9	17	33.52%	11	260.6	20
Rancho Santa Fe	Multi	36	136.0	28	39	184.5	25	35.66%	2	224.0	26
Westwind and Glenarm Farms	1	15	168.3	44	17	218.3	15	29.70%	0	0	0
Westwind and Glenarm Farms	Multi	12	128.2	44	12	198.1	27	54.52%	0	0	0
Wigwam Creek South and Bel Fleur	1	76	159.2	22	52	215.9	21	35.61%	2	250.4	32
Wigwam Creek South and Bel Fleur	Multi	37	116.0	35	29	148.6	21	28.10%	2	183.2	22