



OKLAHOMA BANKERS ASSOCIATION

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PRESIDENT AND CEO
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MEMORANDUM

TO: Members of the Oklahoma Bar Association
RE: Fraud Alert for Lawyers
Date: October 12, 2009

A new fraud scam targeting law firms in Oklahoma has hit in the last few days and the Oklahoma Bankers Association wants to make sure all law firms are on alert. The fraudsters have been perfecting their check printing skills at the same time they have been running sweepstakes, lottery and work-at-home scams that have long been prompting U.S. citizens to wire (or money gram) funds that end up with the scammers out of this country.

Originally, these fraudulent checks were not of a high quality but they are now stealing both cashier's checks and corporate checks and printing checks that look "real" and there are very few if any discernible differences between the fraudulent cashier's check and the real thing. The checks will contain the correct routing number and account number for a corporation or correct MICR code in the case of the cashier's checks.

Our Association is now seeing a trend where the fraudsters are upping the ante and contacting law firms with even larger checks than those used to defraud individuals. A typical case would involve assisting someone with a trust account or the purchase of property or a business here in the U.S. The fraudsters will pose as a new client and send a corporate or cashier's check for hundreds of thousands of dollars for deposit. Then they will either say they have sent too much and ask for you to wire back the overage or ask you to wire the bulk of the funds after deducting a commission for your fees. At that point they will be demanding that you rush the process as they have to complete the fraud before the check can be returned to the bank as counterfeit.

If you are contacted with a request to help what is presented as a "new client," is someone you do not know and they're seeking your assistance with a banking or purchase transaction, you must do due diligence before ever wiring out money:

- First rule of thumb is to check out the client and be alert if they are proposing business from a distance.
- It is another red flag if they avoid phone contact or only do so through the TDD (hard of hearing) relay system.

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- If you have any suspicions, ask your bank to help to determine the validity of the check.
- If the check is simply deposited your bank has no way to know that there could be any reason to suspect any possibility of fraud until it is returned and the money is not recoverable by that time.
- By voicing your suspicions, the bank can know to contact the issuer. Instead of relying on a large check with someone with whom you do not have a high level of trust, you can also ask that the funds be wired into your account. Only do this with an account that is set up to only accept incoming wires, as the fraudsters will use your account information to withdraw your funds if they have information on a business account with funds.

Red Flag Reminder:

- Large cashier's or corporate check from a new client on whom you have little information
- Request that you return funds by wire
- Request that wire be directed outside the U.S.
- Use of the TDD hard of hearing relay or lack of any phone contact
- Urgency for any and all transactions

If you have any questions, contact your local bank or Elaine Dodd, Fraud Division, Oklahoma Bankers Association at 405.424.5252 or elaine@oba.com.

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