



Law Firm Phishing Scam Alert

Law firms are frequently targeted by fraudsters in internet phishing scams. You may have heard about recent schemes in the news, including those that involve a “new client” and the firm’s receipt of counterfeit cashier’s checks. In many instances, these scams have resulted in substantial losses to the firms. We wanted to alert you to these schemes and provide you with suggested steps if you are the target of such a scam.

The following is a description of two common schemes targeting law firms. In the most common scheme, the email requests the attorney’s representation in order to collect on the debt, and advises the attorney that the debtor has been notified that the prospective client has hired an attorney in the U.S.

A recent variation on the scheme involves an ex-wife “on assignment” overseas, who claims to be pursuing a collection of divorce settlement monies from her ex-husband in the U.S.

The schemes usually work as follows:

1. An attorney receives unsolicited email correspondence, typically from a business or individual located overseas, seeking legal representation. The prospective client claims to be owed a significant sum of money from a business that is located in the same city or state as the attorney.
2. Once the attorney has formally agreed to represent the client, the fraudster sends the attorney a cashier’s check drawn on a U.S. bank, accompanied by a letter purportedly from the U.S. business, stating that the check represents a payment to satisfy the debt owed to the attorney’s overseas client.
3. The fraudster then emails the attorney, directing him or her to deposit the check and wire transfers the proceeds (less the attorney’s fees) to unrelated third-parties.
4. The counterfeit cashier’s check is subsequently returned, unpaid, to the attorney’s bank. The account is debited the amount of the counterfeit check and any overdraft is the responsibility of the attorney. Attempts to recover funds wire transferred to the third-parties are almost always unsuccessful.

If you should receive this type of solicitation, we recommend you consider taking the following steps:

- Conduct as much due diligence as possible on potential clients - particularly those who correspond solely via email, and are located overseas.
- Request documentation that adequately identifies the parties involved, and the reason for the debt.
- Independently verify the business’s telephone number and location.
- If the debtor is a local business, contact the company to confirm the debt.



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- Be wary of demands to deposit check and quickly wire the funds out of the account. Fraudsters rely on the attorney's good standing with their bank to provide immediate funds availability.
 - Contact the bank that issued the cashier's check to determine if the item is authentic.
 - Contact your banker for guidance if you suspect part or all of the transaction may be fraudulent.

Sincerely,

The CIBC Legal Banking Group