

Fraudsters Target Nova Scotia Lawyers Again

Nova Scotia lawyers are being flooded with fraudulent e-mail requests to collect monies said to be owing under a Collaborative Family Law Agreement. Do not fall victim to these email requests. The emails vary slightly in their wording but have a common thread. The "client" advises that:

1. She is in Asia, Japan or some other foreign jurisdiction;
2. Her husband is in our jurisdiction;
3. She and her husband have reached an out-of-court agreement on their divorce - and have signed a Collaborative Family Law Agreement;
4. Her husband still owes her money under the agreement;
5. She wants you to help collect this money. The amounts to be collected vary from \$200,000 - \$600,000.

Recently a Nova Scotia lawyer advised me of having received such an email request from a "wife" for legal representation. As part of this, she also received an unsolicited \$125,000 cheque made payable to the law firm. The cheque came by regular mail, from someone purporting to be the "husband's" financial advisor and/or company controller and was for monies owed by the "husband". A copy of a signed and witnessed Collaborative Family Law Agreement had been emailed to the lawyer a few days earlier. With the lawyer's consent, I have attached a copy of the cheque as Schedule A. Certain identifying information has been redacted.

The letter accompanying the cheque had no return mailing address, nor did the envelope in which it arrived. The Lawyer determined the cheque to be bogus, as was the Collaborative Family Law Agreement. Both lawyers named as witnesses on the Agreement were family lawyers in Connecticut. However, their signatures were forged, and they had no involvement in the preparation or execution of the agreement. A follow-up call to one of the lawyers confirmed this.

Fraudsters will frequently use the name of a legitimate and existing company as the 'Payor' on cheques or bank drafts that it delivers to lawyers. The payor "company" named in this instance has the following fraud notice posted on its web site:

It has come to our attention that inaccurate mailings, faxes and e-mails soliciting investments, contests, requests for personal information and payment, and checks are being sent containing the Vertis name and/or logo.

Neither Vertis, Inc. nor any of its affiliates have authorized or are involved in these activities.

Please contact your local law enforcement authority regarding any communications that you may have received.

Another lawyer called me last week with regard to a bogus cheque received by his law firm in relation to a real estate transaction that had been referred to him. This cheque was in the amount of \$298,354.57. With the lawyer's consent, a copy of the cheque is attached as Schedule B. Certain identifying information has also been redacted from this cheque.

The red flags that alerted this lawyer to a possible fraud included suspect client ID verification documentation which he had received from outside Canada, as well as an incorrect tracking number for documentation he was to have received some time earlier. The tracking number he was given was for a package delivered to Salt Springs BC, not one destined for Nova Scotia. Also, this cheque arrived without any recent communication from the “client”. The lawyer considered the transaction to have fallen through in October or November 2009.

Upon reviewing the cheque, the lawyer did an independent search for the phone number of the cheque’s “Payor”. Upon calling this number, the lawyer was advised that the cheque was in fact bogus. Had he called the number on the cheque, he probably would have been told it was a “good” cheque. In the past we have seen calls to these numbers ring through to participants in the fraud, who confirm that the cheque is good. For this reason, do your own independent search for a phone number.

In these types of schemes, fraudsters rely on lawyers to deposit the cheque received into their trust account and then pay out funds from their trust account to the fraudster quickly and before learning that the cheque is bogus. By the time the lawyer learns that the bank has debited the trust account, the money is long gone and the trust account has a shortfall in it.

Both Nova Scotia lawyers who received the bogus cheques discussed in this article were alert to the red flags associated with such a scheme and did not deposit the cheque or have any further contact with the client. You too should be alert to these types of schemes.

To avoid being victimized by fraudulent schemes and to minimize the chance of being victimized, you should be alert to common fraud scenarios that I have written about in other articles and red flags that should alert you and your staff. These articles and alerts are posted to the [Loss Prevention Resources](#) section on the LIANS website at www.lians.ca

If you learn of any possible frauds or scams, continue to advise me so I can keep you aware of the frauds that are circulating.

 **vertis**
communications
P.O. Box 130, 3565 Eagle Street
Stevensville, Ontario
Canada L0S 1S0

The Royal Bank of Canada
Fort Erie, Ontario

No. 068986

CHECK DATE	CONTROL NUMBER	CHECK AMOUNT
01/06/2010	068986	\$\$\$125,000.00

PAY One Hundred Twenty Five Thousand and 00/100 Cents-----Dollars

TO THE ORDER OF [REDACTED]
[REDACTED]
OF HALIFAX, NS B3J [REDACTED]

Vertis Communications
[Signature]
BY _____
[Signature]
AUTHORIZED SIGNATURE
VOID AFTER 90 DAYS

MEMO: [REDACTED]

⑈068986⑈ ⑆01562⑈003⑆ ⑆25⑈154⑈00⑈⑆

ORIGINAL CHECK HAS MICRO SIGNATURE LINES AND A WATERMARK ON REVERSE SIDE - HOLD UP TO A LIGHT TO VIEW

054583

ARROW TRUCK SALES CANADA, INC.

3200 MANCHESTER TRFWY • KANSAS CITY, MISSOURI • (816) 923-5000

TD Bank # 10202-004
55 King Street West
Toronto, Ontario, M5K 1A2

CHECK DATE

CHECK NUMBER

01/18/10 54583

CHECK AMOUNT

TWO HUNDRED NINETY EIGHT THOUSAND THREE HUNDRED FIFTY FOUR AND 37/100 DOLLARS

PAY
TO THE
ORDER
OF

[REDACTED]
BARRISTERS & SOLICITORS
[REDACTED]
[REDACTED]

*****298,354.37

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⑈20761⑈