

Some American Bankers Association members are seeing a new deposit fraud pattern that targets law firms. The typical scheme involves the following:

- A fraudulent foreign client contacts a law firm via email indicating they are involved with some legal issue with a domestic company. That company will either settle a claim within the next few days or the parties will go to court. The law firm is asked to act as settlement agent, or possibly represent the foreign client going forward. Shortly afterwards, a counterfeit check comes to the law firm with the other party listed as remitter. The law firm takes their cut from the check and is to wire the rest. These checks may pass deposit fraud.
- At one bank, one of their customers wired out \$195K the morning after they deposited the check. Another bank indicated that the checks are always in the amounts of \$197,980.00.

So far the banks affected by this fraud have taken the following actions:

- Distributed alerts within their organizations;
- Contacted local bar associations to warn the legal community.