



Fraud Alert

The South Carolina Bar has been notified on numerous occasions of efforts to access law firm business and trust accounts, notably real estate closing accounts. Attempts at misdirecting funds include changing account number instructions, sending emails from similar email addresses, sending false invoices and sending allegedly “new” wire transfer instructions. The schemes have grown increasingly sophisticated and successful.

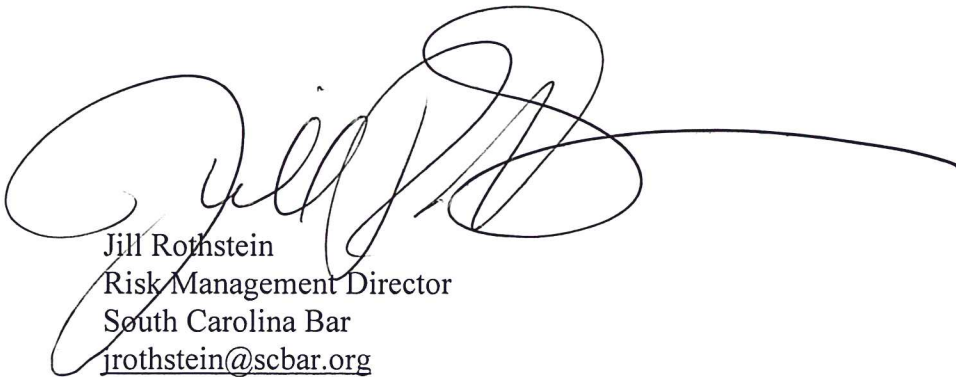
Firms are cautioned to verify all instructions: do not rely solely on electronic correspondence.

All Bar members are also urged to be aware of security basics, including establishing a firm website domain instead of using free web-based email and creating and using unique passwords. And, perhaps equally important, avoid using unsecured wi-fi networks.

Firms should also have established policy on wire transfers, including necessary verification of all last-minute changes. Prior to sending a wire, the lawyer should call the receiver to verify that all instructions are accurate. Lawyers should also ensure that staff members understand that they have “permission to pause” before they proceed.

Finally, be vigilant. Be suspicious of all relevant email, carefully check email addresses when necessary and question all requests where money is to be sent to an “unconnected” jurisdiction or to an account that is not in the name of the seller.

Do not hesitate to contact Bar staff for a further (confidential) discussion if you have specific concerns or would like more information.



Jill Rothstein
Risk Management Director
South Carolina Bar
jrothstein@scbar.org
803-576-3770