

**From:** Janice Ringrose Insurance  
**Sent:** Wednesday, March 04, 2015 12:02 PM  
**To:** Renee Whalen  
**Subject:** Cheque Fraud and Red Flags

Dear Law Society Members:

Below is an article from LawPro's February edition of "Avoid a Claim Blog". Even in Newfoundland and Labrador, we continue to see email scams being sent to our members.

## **20 Red Flags of Bad Cheque Fraud You Should Recognize**

Lawyers in all areas of practice continue to be the frequent targets of bad cheque scams. These scams involve debt collections, business loans, IP licensing disputes or spousal support payments. While it appears Ontario lawyers are increasingly aware of these frauds, occasionally some are being duped into disbursing funds on a bad cheque they have deposited in their trust accounts.

Don't be complacent and think you will never be fooled. These frauds are getting ever more sophisticated. The matters will look legitimate, the fraudsters will be very convincing and the client ID and other documents you receive will look real. The fake cheques will be printed on real cheque stock and in the past have fooled bank tellers and branch managers. There are often two or more people collaborating to make the scenario even more convincing (e.g., the lender and the debtor, the lender and the borrower, both ex-spouses, etc.). We have seen fake law firm websites created to make these frauds look more legitimate.

Listed below are 20 of the most common red flags of a bad cheque fraud. While some of these things may occur on legitimate matters or may be harmless, you should proceed with extreme caution if several of the items listed occur on a matter you are handling.

1. Initial contact email is BCC'd to many people (you may see "undisclosed recipients" in the To: field).
2. Initial contact email is generically addressed (e.g., "Dear attorney").
3. Client is new to your firm.
4. Client is in a distant jurisdiction.
5. Client says he prefers email communication due to long distances, time zone differences or a medical condition.

6. Client shows up and pushes for work to be done just before a holiday when banks will be closed.
7. The name and/or email address in the From: field is different from the name and/or email address of the person you are asked to reply to in the body of the email.
8. Client uses one or more email addresses from a free email service (e.g., Gmail™, MSN®, Yahoo!®) when the matter is on behalf of a business entity that you expect would have its own email address.
9. Information in the email header indicates sender is not where he/she claims to be.
10. The client signs a retainer and client promises to pay your retainer fee, but it never arrives and they then suggest you deduct your fee from the cheque you have received or will receive from the opposing party.
11. The fee offered is unusually high for the type and amount of work you have done and/or will do.
12. The fee is to be paid on a contingent basis from the (bogus) cheque you are to receive.
13. The client is in a rush and wants you to do the work very quickly.
14. The client or person on the other side doesn't seem to be concerned if shortcuts are taken.
15. Despite your client saying a lawyer is required, payment from the opposing party arrives at your office with you having done little or no work to get it.
16. Cheque or bank draft arrives at your office in a plain envelope and/or without a covering letter.
17. Cheque is drawn from the account of an entity that appears to be unrelated to the matter (e.g., a spousal arrears payment from a business entity).
18. Payment amounts are different than expected or change at the last minute without explanation.
19. Client instructs you to quickly wire the funds to an offshore bank account based on changed or urgent circumstances.
20. Some or all of the payment is going to a third party who appears unrelated to the matter.

If some of these red flags arise on a matter you are working on, take steps to protect yourself. Use Google® to verify identity and contact information for all parties involved in the transaction. The AvoidAClaim.com blog lists names used by fraudsters. Make sure you understand and are comfortable with all aspects of the transaction. Dig deeper and ask questions about anything you don't understand.

**Janice K Ringrose**  
**Insurance Administrator**  
Lawyers' Insurance Programme

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**From:** Janice Ringrose Insurance  
**Sent:** Wednesday, September 02, 2015 1:00 PM  
**To:** Renee Whalen <[Renee.Whalen@lawsociety.nf.ca](mailto:Renee.Whalen@lawsociety.nf.ca)>  
**Subject:** Notice to Members - Fraudulent Scams

Dear Law Society Members:

Lawyers in all areas of practice continue to be the frequent targets of bad cheque scams. These scams involve debt collections, business loans, IP licensing disputes or spousal support payments. Don't be complacent and think you will never be fooled. These frauds are getting more sophisticated. The matters will look legitimate, the fraudsters will be very convincing and the client ID and other documents you receive will look real. The fake cheques will be printed on real cheque stock and in the past have fooled bank tellers and branch managers. There are often two or more people collaborating to make the scenario even more convincing (e.g., the lender and the debtor, the lender and the borrower, both ex-spouses, etc.).

Take steps to protect yourself. Use Google® to verify identity and contact information for all parties involved in the transaction. Make sure you understand and are comfortable with all aspects of the transaction. Dig deeper and ask questions about anything you don't understand.

If you have been targeted by any of these frauds, please forward any of the emails and supporting documents that you have received to [insurance@lawsociety.nf.ca](mailto:insurance@lawsociety.nf.ca). You can also report the fraud to the **Canadian Anti-Fraud Centre**.

**Attached** you will also find a list of names associated to the various types of email scams which continue to be circulated to our members.

Janice K Ringrose  
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St. John's, NL A1C 5M3  
Tel: (709) 722-6008

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**From:** [insurance@lawsociety.nf.ca](mailto:insurance@lawsociety.nf.ca) [mailto:[insurance@lawsociety.nf.ca](mailto:insurance@lawsociety.nf.ca)]  
**Sent:** Friday, June 27, 2014 12:44 PM  
**To:** Renee Whalen  
**Subject:** Notice to Members-Fraudulent Scams Update

Dear Law Society Members:

Below is a sample of the most recent fraudulent email scams. **Attached** you will also find a list of names associated to the various types of email scams which continue to be circulated to our members locally.

You will note that these scams evolve, primarily by changing names and yet retain a common theme: they require access to your trust account. An excellent source of reference for confirmed frauds and fraudster names can be found at <http://avoidaclaim.com/confirmed-frauds/> We encourage members to refer to this site if they are presented by a possible scam.

### **Commercial Debt Collection Scam**

One of our members notified us that they received an email from the purported Alvey Stevenson looking to retain them with regards to a commercial debt collection.

This is a classic bad cheque scam that presents a legal matter requiring the assistance of a lawyer. In this scam, lawyers might be duped into wiring real funds from their trust accounts after depositing a fake cheque received as payment from the debtor (who is part of the fraud).

### **Here is the initial email sent by the fraudster to the lawyer**

**From:** Alvey Stevenson [<mailto:stpivot22@outlook.com>]  
**Sent:** June 19, 2014 1:10 PM  
**To:** Lawyer  
**Subject:** Inquiry

*Good Day...,*

*I want to inquire if your firm handles breach of contract cases. A referral will be welcomed if this is not your area of practice.*

*Regards  
Alvey Stevenson.*

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## **Here is the lawyer's response**

*From: Lawyer  
To: [stpivot22@outlook.com](mailto:stpivot22@outlook.com)  
Date: Thu, 19 Jun 2014 13:02:26 -0300  
Subject: RE: Inquiry*

*Hello Ms Stevenson,*

*We most certainly would be able to assist in such a case. Could you provide me with a brief description , including party names, and I will then be able to determine (a) whether we have a conflict with any of the parties and (b) the appropriate individual to whom to refer the matter internally.*

*May I inquire how it is that you have contacted me?*

*Lawyer*

## **Replying to the email brought this response**

**From:** Alvey Stevenson [<mailto:stpivot22@outlook.com>]  
**Sent:** June 19, 2014 1:53 PM  
**To:** Lawyer  
**Subject:** RE: Inquiry

*Thanks for your response, I want to indulge your firm to represent us with regards to a contract case. Find below our debtors information for a conflict check, before we can schedule for a telephone conference.*

*Russel Metals Inc  
11 Panther Pl, St John's, NL A1N 5H4, Canada*

*We hope to hear from you at your earliest convenience.*

*Sincerely,*  
*Alvey Stevenson.*  
*Shearline Steel Strip LTD.*  
*Unit 3, Gibbons Industrial Park, Dudley Road,*  
*Kingswinford, West Midlands, DY6 8XF.*  
*T: +44 793 701 4296*  
*F: +44 809 174 0930*

**If you have been targeted by any of these frauds,** please forward any of the emails and supporting documents that you have received to [insurance@lawsociety.nf.ca](mailto:insurance@lawsociety.nf.ca).

Thank you.

Janice Ringrose  
Lawyers' Insurance Programme  
Law Society of Newfoundland and Labrador

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**From:** thelawsociety  
**Sent:** Thursday, September 10, 2015 2:35 PM  
**To:** Renee Whalen <[Renee.Whalen@lawsociety.nf.ca](mailto:Renee.Whalen@lawsociety.nf.ca)>  
**Subject:** Responsibilities of the Profession re: Anti Money Laundering

Dear Law Society Members,

The government of Canada recently released a comprehensive report on money laundering and terrorist financing risks in Canada. For your information and review, a copy of that report, titled "*Assessment of Inherent Risks of Money Laundering and Terrorist Financing in Canada*," can be found at the following link: <http://fin.gc.ca/pub/mltf-rpcfat/mltf-rpcfat-eng.pdf>.

**The report concludes that legal professionals are exposed to "high to very high" inherent risk scenarios for money laundering due to the nature of the products and services they provide. Mortgage fraud is specifically identified as one of nine activities that pose a high threat and real estate transactions in general are noted as providing many opportunities for the unwitting or unwitting involvement of members of the legal profession in money laundering. The report also concludes that the legal profession has a high vulnerability to terrorist financing activities, in part through potential use of their trust accounts. While there are regulatory measures in place, such as the "No-Cash" and "Client Identification and Verification" rules (the "Model Rules"), the success of these depends on compliance.**

Members are reminded of the importance of compliance with the "Client Identification and Verification" and "No-Cash" rules and are encouraged to review the "Mortgage Fraud - Red Flags" document previously circulated and available on the Law Society's website.

Thank you.

Law Society of Newfoundland and Labrador