

## Notice

28 August 2019

### **Scam Alert: Fraudsters targeting attorney's trust accounts**

The Legal Practice Council (LPC) would like to warn legal practitioners of a scam that is targeting law firms in order to defraud them.

The *modus operandi* is that a cheque will be deposited into the legal practitioners/ Law firm TRUST account. After the deposit has been made the practitioner/law firm or bookkeeper will receive a call from the fraudsters claiming to be a “representative” of Legal Practitioners Fidelity Fund( LPFF) or Attorneys Fidelity Fund accounts department, informing them of the “overpayment” or payment “made in error” and requesting a repayment of the balance to rectify the situation . At this point the practitioner / bookkeeper usually checks their trust account and finds that the money has been deposited. (They do not check what type of deposit it was though .ie: cheque, cash or EFT. – Cheques can take 14 days to clear). If the law firm makes the repayment before the bank clears the cheque, the firm will suffer a loss as there would not have been any funds paid into the account. The firm will be out of pocket and the scammers would have received money to which they are not entitled. Once the money has been paid it is very difficult to get it back especially if it has been already been drawn out of the recipient account. In order to induce the practice to make payment of the amount supposedly overpaid, the scammers may indicate to the firm that part of the ‘over payment’ may be retained by the firm as ‘fees’. It is worth noting that the firm would not have a legal basis to retain any portion of the funds in the event that this was a legitimate payment.

The LPC is therefore requesting that legal practitioners/ law firms to be vigilant and note the following

- The LPFF will never contact them via a telephone for refunds or use a private email address alleging an overpayment or payment made in error, and made by cheque- be aware of emails sent from Gmail, Yahoo and other similar email addresses

- No 'refund' should be made without first verifying with the validity of the amount and the ownership of the account into which the funds are to be deposited
- All staff, and especially those dealing with finance, should be informed and educated about such scams
- The scammers are very persistent and will be in a hurry to get you to pay the money out immediately knowing that the fraudulent cheque will not be honoured and will be returned marked "referred to drawer"
- The LPFF will not pay bank charges / audit fee refunds into the Practitioners TRUST account but into the practitioner's BUSINESS account
- The amounts of the purported payments bear no relation to the actual refund (if such refund is due to the firm) or the audit/ payment cycle
- Always contact the LPFF directly at their correct contact details (available on the website [www.fidfund.co.za](http://www.fidfund.co.za)) to confirm anything sent to you asking for payment and to report any suspicious behavior. The telephone numbers for the LPFF are (021) 424 5351 or (012) 622 3900
- Before making any payment (whether the LPFF or any other party) practitioners must verify the account details as prescribed in Rule 54.13

Ends/

#### **Issued by the Legal Practice Council**

Enquiries:

Mr Sthembiso Mnisi

Manager Communications: Legal Practice Council

084 5275 312

[SthembisoM@lpc.org.za](mailto:SthembisoM@lpc.org.za)

#### **About us**

The Legal Practice Council is a national, statutory body established in terms of section 4 of the Legal Practice Act, No 28 of 2014. The Legal Practice Council and its Provincial Councils regulate the affairs of and exercise jurisdiction over all legal practitioners (attorneys and advocates) and candidate legal practitioners.