

# SafeAlert



A loss control advisory from the ABA-sponsored insurance program underwritten by Progressive

## “Deposit and Wire Back” Scams Now Targeting Commercial Customers

Consumers continue to be duped by lucrative offers to make money by depositing checks into their accounts and then wiring a portion of the funds to a third-party account - only to find out that the checks deposited were altered or counterfeit. **One Midwestern community bank is now dealing with a loss of almost \$1,000,000 from a commercial customer who fell for such a scheme.**

*Train employees to be alert for suspicious transactions and educate customers about scams to which they may fall prey.*

The victim has been a long-term customer of the bank. He was contacted by overseas investors to invest in equipment in South Africa. As part of an elaborate international transaction, they claimed that they needed funds to come from the U.S. in order to pay the taxes on the equipment. The victim was informed that he would receive a check and should wire most of the funds to a particular account in Japan, keeping the remaining balance for his assistance.

Three checks from large American companies were received and deposited, and over \$950,000 was wired to Japan in three installments. The checks were returned to the bank by the makers' banks shortly thereafter as having altered payees. The checks had been stolen and altered to reflect the victim as payee. By that time, the money had been wired out of the Japanese bank.

It can be difficult to detect altered or counterfeit checks. What is possible, however, is to **train employees to be alert for suspicious transactions and educate customers about scams to which they may fall prey.**

- Take every opportunity to remind customers – both retail and commercial – that if a deal sounds too good to be true, it probably is.**
- Train employees to look out for suspicious activity and bring it to their supervisor's attention.**
- Requests for international wire transfers should be particularly suspect. Train your staff to ask questions and explain the recent scams we are seeing to any customer requesting an international wire transfer. Make it clear that liability for bad checks deposited will fall on the customer.**

*For more information, contact Judi Kovach, Loss Control Manager or Ann Intili-Gardiner, Bond Claims Manager, at 800-274-5222.*