

Bad Actor Attempts to Capitalize on Legal Transaction During Public Health Crisis

Lawyers Mutual was informed of a wire fraud attempt relating to the current public health threat. A lawyer in North Carolina received a call from a purported seller demanding that the seller's proceeds be wired immediately so that the funds could be quickly invested in the stock market while prices are low due to the health crisis. The female caller was aggressive and threatened to sue for malpractice and file a grievance with the NC State Bar if the attorney did not wire the funds. The attorney, using sound judgment and following law firm protocol, refused to take action and immediately called the seller's attorney who verified the seller had not requested changes to the transaction.

The buyer's attorney maintains a strict policy to only issue proceeds from a closing by check to the seller or seller's attorney. This policy is included in the standard engagement letter that is sent to all parties at the outset of the transaction. The buyer's attorney quickly recognized that any party making a last minute change is a scam artist, including an aggressive caller with a reasonably-sounding request. A similar resolution should occur even when wiring funds if the firm follows the recommended procedures and safe harbor requirements.

Please be vigilant in managing your financial transactions and remain steadfast to your procedures. Bad actors are using the current public health threat to catch lawyers off guard during this unsettling time. Scams are not limited to wire fraud but also include phishing, fake videos, and news stories embedded with malware.

For more information about wire fraud prevention and data security best practices, please see our previous alerts:

- [The Latest Cyber Risk: Vulnerability of Your Emails](#)
- [WARNING: New Twists in Fraud - Interception of Incoming Wires](#)
- [WIRE INSTRUCTION FRAUD CONTINUES TO PLAGUE NORTH CAROLINA LAWYERS](#)
- [New Phishing Attack Pretends to Be Bar Communication](#)
- [DON'T BE A VICTIM OF WIRE INSTRUCTION FRAUD](#)
- [If you are holding funds in trust for disbursement and receive a change in payment instructions, STOP.](#)
- [Put Your Hands in the Air and Give Me Your Bitcoin](#)