

ALERT: WATCH FOR UNAUTHORIZED WIRE TRANSFERS FROM YOUR TRUST ACCOUNT

In the last few weeks we have seen LAWPRO insureds experience multiple back-to-back unauthorized wire transfers from their trust and general accounts. All of these accounts were at the same bank. These frauds are concerning as the multi-factor authentication process to complete a wire transfer was bypassed.

We are still investigating the circumstances of these claims, but some details are emerging. We have learned that a fraudster contacted one of our insureds by telephone pretending to be a representative from the bank and claiming that there were suspicious transactions on his credit card that required his review. The fraudster had specific information about transactions on the credit card and asked the insured to log into his banking portal to verify the transactions. The fraudulent wire transfers started immediately after this login occurred.

This suggests that either malicious software was downloaded onto the insured's computer or that the bank website where the insured entered their credentials was compromised or fake. In either case, this login appears to have given the insured's banking credentials to the fraudster. None of our insureds received any multi-factor authentication requests or passcodes to confirm the fraudulent wire transfers from their trust accounts. How the bank's multi-factor authentication process was bypassed remains under active investigation.

Please be on high alert for the following:

- If anyone contacts you purporting to be from your bank, and particularly if you are asked to log into your online banking portal or to confirm/change your login name or password
- If you receive any authentication requests when you are not actively signing into your banking portal or completing a wire transfer

- If you receive any suspicious attachments or links, either by email or text, particularly if they appear to be from your bank or a banking website

Please also monitor your trust and general accounts for transactions that you did not authorize.

If you get suspicious calls or discover unauthorized transactions:

If you have received, or do receive, suspicious calls about your credit cards or bank accounts, call your bank immediately, using a trusted and verified phone number, to review recent transactions and take steps to secure your account (i.e., change your login and authentication credentials).

If you discover unauthorized transactions in your trust or general accounts, it is critical that you contact your bank immediately to stop these transactions. Time is of the essence. Fast interventions by a bank will make it more likely that transactions can be stopped or that funds can be frozen. It is also helpful to contact the bank(s) that received the unauthorized wire transfers to alert them as well.

Make sure you speak to someone at your branch or another bank employee that can take swift action to deal with the fraud. One of our insureds was transferred multiple times on the phone and struggled to reach a bank representative who could provide assistance. After calling the bank, consider going to your bank branch in person. Keep a paper trail of your conversations with the bank, and immediately notify LAWPRO of a claim by filing a claim notice report.

Please share this warning with your staff as they could be targeted for these frauds. They can be in a position to prevent a fraud if they see something unusual. ■