

FRAUD ALERT UPDATE

by: John Allen, CA

We helped catch them. As you may recall, I circulated a number of Fraud Alerts starting in October 2008 regarding a particularly "professional" fraud directed at lawyers trust accounts. In these alerts, members were requested to advise the Law Society if/when they were contacted by the fraudsters, whether by phone or email. As a result, a lot of useful information was provided to the Regina Police Service - Commercial Crimes Unit and Technical Crimes Unit.

One of our members who was contacted by the fraudsters dealt directly with the Regina Police Service and an officer "set up shop" in the member's office to intercept calls and emails as part of a "sting" operation. Unfortunately, the sting did not work, but it was very close, thanks to the professionalism and expertise of the officers involved.

The Regina Police Service was in contact with the RCMP and were instrumental in raising the profile of this fraud at a national level. In December 2008, I received pictures of the alleged male fraudster, presumably taken by a surveillance camera in a store.

Until a few days ago, all was quiet, except for regular calls from the Commercial Crimes Unit, keeping me up-to-date in a general way about the ongoing process, such as identification of suspects, surveillance, searches, etc. It seemed as though the investigation was "dead" until the Commercial Crimes Unit called again and advised that the fraudsters had been apprehended and the man "who was in Canada illegally was ordered deported and the woman is to appear in court at a later date."

Attached is a press release from the RCMP for your information. It should be noted that the press release states "the victims included law firms in Quebec and Saskatchewan." This is false. There were no victim law firms in Saskatchewan, but there were a few near misses.

The fraudsters were apprehended thanks to the Regina Police Service and the hard work of the officers involved, our members (one member in particular), as well as the RCMP.

On the negative side, there are always fraudsters out there who will take the place of these two, so please remain alert. Thanks again for your help.

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Fraud Network Dismantled by COLT

Montréal, July 29, 2009 – Officers of the RCMP Financial Integrity Centre of Operations Linked to Telemarketing Fraud (COLT) seized several counterfeit cheques that were part of a scam aimed at defrauding individuals and businesses in Canada and the United States. Searches were conducted on July 23, 2009 in the Montréal area and resulted in the arrest of two individuals.

The investigation led by COLT was launched in November 2008 after complaints from the public were received. RCMP officers worked closely with the Vancouver Police Department in this case. The alleged fraudsters used different schemes such as the transfer of funds from fraudulent cheques deposited in the victims' bank accounts.

The victims included law firms in Québec and Saskatchewan, Canadian and American collection agencies as well as various businesses. It is believed that nearly 80 victims across the country were defrauded of more \$600,000. However, many victims may not have been identified yet in the still ongoing investigation.

The searches conducted by COLT officers led to the seizure of many fraudulent cheques, instruments used in forging documents, 29 cell phones registered in several different countries and three computers.

A man and a woman were arrested during the operation. The man, who is in Canada illegally, was ordered deported and is currently detained by the Canada Border Services Agency. He could face various charges including fraud, used of counterfeit documents, possession of instruments and making counterfeits. The woman will appear in court at a later date to face fraud charges.

A priority for the RCMP

The RCMP Financial Integrity Program wants to inform the public about this seizure and warn consumers against this fraud in particular, and mass marketing fraud in general which may take many forms. Among these a significant increase in counterfeit cheque fraud has been observed. With the popularity of the Internet and other means of communication, counterfeit cheques have become a scam of choice for fraudsters.

Mass marketing fraud is a serious crime most often committed by structured criminal operations. The consequences of this form of economic crime are devastating for the victims and undermine consumer and business confidence. This crime also known as "white-collar crime" constitutes one of the priorities of the RCMP which is committed to fight this form of crime including through COLT.

The COLT Team includes the Royal Canadian Mounted Police, *Sûreté du Québec*, City of Montreal Police Service, Canada Border Services Agency, Canada Competition Bureau, the Canada Post Security and Investigation Services and American partners such as the US Homeland Security (ICE), US Postal Service, US Federal Trade Commission and Federal Bureau of Investigation.

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