

Scam Alert

Scammers continue to target lawyers and law firms. We will occasionally publish scam alerts to help Oregon lawyers avoid these scams. Here is the story of another Oregon lawyer who narrowly averted a sophisticated scam.

- A person who appeared to be a sophisticated client contacted the lawyer by email. The “client” was from Illinois and said he was “purchasing a machine in Gresham” for \$500,000. The “purchaser/scammer” wanted the lawyer to “be the escrow for the deal.”
- The lawyer asked to see the paperwork on the transaction and looked it over. The “client’s” documents looked correct and like they had been written by another lawyer.
- The lawyer looked up the supposed “seller” of the machine and found that the named seller did indeed own a machine company in Gresham.
- The “purchaser/scammer” wanted to give the lawyer a “certified check.” The lawyer said no to a cashier’s check or certified check. He agreed to let the “purchaser/scammer” “wire” him the money, which was to be placed in an account that was not the lawyer’s trust account. The lawyer gave the “purchaser/scammer” the account number and the routing number of the bank account where he was to “deliver” the money.
- A few days passed and the client asked for a SWIFT code and the Tax ID #. The lawyer did some research and found out that SWIFT codes are needed only when money is being transferred from a foreign bank or with an international transaction. This tipped off the lawyer that the client wasn’t really from Illinois.
- The lawyer then found the phone number of the “local seller” in Gresham and called the number to verify whether the owner of the Gresham machine company was the “seller” in the transaction. The Gresham machine company owner had never heard of the purchaser and was not selling the type of machine that the “purchaser/scammer” referred to.

- The lawyer noted that if he had not called the alleged “seller,” he might not have known for sure that it was a scam. He said the emails and alleged legal documents all looked appropriate, with no grammar mistakes or other red flags.
- Once the lawyer was suspicious, he googled the “purchaser/scammer’s” name and found obituaries that listed that name and nothing else. He also googled the address the “purchaser/scammer” gave him. The image shown for the address looked like a shack and not like the home of a client who would have the money to purchase an expensive piece of equipment.

Scammers continue to evolve, and their attempts at fraud continue to become even more sophisticated. Some scams seem very realistic and credible, even upon initial investigation. The sophisticated level of today’s scams mandate a lot of investigation to ascertain legitimacy. While nothing substitutes for due diligence, always trust your intuition: If it seems too good to be true, it probably is.

As a reminder, the PLF Coverage plan doesn’t cover lawyers acting as escrow agents. See Madeleine S. Campbell, “Lawyers Acting as Escrow Agents Excluded Under PLF Plans,” *inBrief*, May 2018. ■

Our thanks to the law firm who notified the PLF of this scam so that other law firms could also protect themselves from scammers.