



### **I NEED YOUR ASSISTANCE...**

You have probably received an E-mail that begins with some variation of the phrase, “I need your assistance...” It goes on to explain that your assistance is needed in transferring millions of dollars that is being wrongfully held, usually in some African country. After responding to the E-mail, there will be a request to send money for taxes, etc. or a request for account information so that the money can be transferred through you to the “rightful owner” and you will be rewarded handsomely for your assistance by being allowed to keep a portion of the funds. Another variation is that someone with a checking account is persuaded to deposit a rather large check for someone and the depositor will be allowed to keep a portion of it if they forward the remainder to a third party, usually by wire transfer to London for further forwarding.

Most of you recognize these as scams. In the case of the E-mail scam, any money sent will never be seen again and if account information is furnished, the account is likely to be drained in short order. In the case of a person depositing a check, the deposited check will be returned as fraudulent. The bank will reverse the deposit often creating an overdraft. You may be surprised that such tactics actually work, but they do. We even saw one case where a fairly sophisticated businessman was duped.

Banks should consider providing informational or educational material to their customers warning them of these and other schemes. The warnings could be included as articles in news letters or statement stuffers. The warnings should be reviewed by bank’s counsel to be sure that the warnings do not create liability for the bank that would not otherwise be present.

There are several things banks can do to help protect their customers and themselves from fraudulent checks innocently deposited at their banks. Tellers should be trained to be alert for unusual deposits, particularly Canadian checks in banks far removed from the Canadian border. Scammers often utilize fraudulent Canadian checks because they take longer to clear. If a suspicious check is about to be deposited, carefully counsel the customer about the dangers of depositing checks if they are not in the course of their normal banking activity. If the customer insists on proceeding, the proper hold should be put on funds availability or the check should be handled as a collection item.

By taking a few easy steps, banks can help protect their customers and themselves from scammers.

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