

Gavel to Gavel: This is your lucky day

By: Tom C. Vincent II Guest Columnist January 29, 2020 0



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Your company received an email request from an international client asking for your services. You welcome the new work. The email details the engagement and everything appears to be lined out properly. In this type of scenario, the request typically describes how the transaction is being finalized and indicates that the buyer is sending you a check to deposit for the purchase – all you need to do is wire out part of the deposit for earnest money and wait for further instructions. The only problem is, if you wire any of the deposit from the buyer, you may be giving the seller your own money – because the check, like the transaction, is fake.

This sort of scam happens frequently – but it doesn't have to. From talking with clients that have been presented with such an "opportunity" and successfully avoided it, there are simple checks you can perform to verify the parties without asking them directly. These may take a few days, so be ready for questions – although a legitimate buyer or seller should understand your need to do your homework.

- Check the check. If you receive a check, confirm its validity with the bank on which it's drawn.
- Understand the "Who." While the perpetrators of these scams often use legitimate – or legitimate-sounding names, the backup for the names doesn't always match. For example, the email address used for a party may not be the actual email used by the company they're impersonating. Also, in one instance, the address of the seller turned up on a real estate site as a vacant property.
- Understand the "Why." Sometimes the parties may not be easily verified, but there may be another indicator that something is wrong. One such scam involved a purported buyer of a multimillion-dollar piece of equipment who also had, per the secretary of state's website, a tax lien of a few thousand dollars – not likely to be engaging in such an expensive transaction.

In today's economy, quick high-value transactions can occur and are not always suspect or illegitimate. A few easy steps can make sure you safeguard your company against these situations – and you don't become a casualty of one.

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