

JOINT PRESS STATEMENT
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**LAW SOCIETY AND FIDELITY FUND WARN OF
ATTORNEYS TARGETED BY FRAUD SYNDICATE**

The Law Society of South Africa (LSSA) and the Attorneys Fidelity Fund (AFF) have issued warnings that South African attorneys are being targeted by a fraud syndicate, using a scam perpetrated across the country. 'While this particular scam is not confined solely to the attorneys' profession – it has surfaced in all sectors of commerce and industry – attorneys are particularly at risk in view of the high volume of funds flowing through their trust accounts,' says Andrew Stansfield, Financial Director of the AFF.

A number of attorneys have already fallen prey to the scam.

The *modus operandi* of the fraudsters is typically to deposit a cheque into the trust account of an unsuspecting attorney, and then to demand repayment on the basis that the attorney was not the intended recipient of the funds. Demand for repayment has generally been either telephonically or by way of a faxed copy of a letter purporting to be from the AFF. The attorney is then requested to 'repay' electronically into an account purporting to be in the name of the AFF, which is in fact opened in some other name. The success of the scam relies on the fact that there is no matching of the account name with the account number when an electronic payment is processed, explains Mr Stansfield.

The scam is always highly organised, involving the use of a stolen identity document (to enable the fraudster to open a bank account), and the use of a stolen chequebook (for the fraudster to make a cheque deposit into the attorney's account). The activity level of the scam indicates that there must be a number of fraudsters operating as a coordinated team. Apprehending these suspects is difficult since they will only use a banking account for one successful fraudulent transaction after which the account is abandoned. They are highly mobile; communications with their intended victims are always via cellphone.

Some attorneys have fallen prey to the scam by 'repaying' funds without waiting to see whether the cheque deposit has been honoured by the bank. In the event the cheque deposit turns out to be a stolen cheque, which is ultimately reversed by the attorney's bankers.

Attorneys who have succumbed to the scam have reported these incidents to the South African Police Service Commercial Crime Unit and are awaiting developments in each case. The attorneys' profession has cautioned its members via the offices of each regional law society.

Investigations have revealed that the syndicate is based in the Gauteng area.

'The banks advise that they will react speedily in freezing a suspect account. They recommend that in each case the fraudster's bank (*Fraud and Risk section*) be notified without delay whenever it becomes apparent that an account is being used for fraudulent activity,' says Mr Stansfield.

LSSA Co-Chairpersons CP Fourie and Vincent Saldanha warn both members of the attorneys' profession and the public at large to remain vigilant about their chequebooks and all their accounts generally.

***ISSUED ON BEHALF OF THE ATTORNEYS FIDELITY FUND
AND THE CO-CHAIRPERSONS OF THE LAW SOCIETY OF SOUTH AFRICA***

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Editor's note:

Law Society of South Africa: The LSSA brings together its six constituent members – the Cape Law Society, the KwaZulu-Natal Law Society, the Law Society of the Free State, the Law Society of the Northern Provinces, the Black Lawyers Association and the National Association of Democratic Lawyers – in representing South Africa's 18 200 attorneys and 4 700 candidate attorneys.

In Afrikaans items, please refer to the 'Prokureursorde van Suid-Afrika'.

Attorneys Fidelity Fund: The AFF is a statutory body established and regulated by the provisions of the Attorneys Act, 1979. Its objective is to protect the public against loss as a result of the theft of trust funds by practitioners. The protection provided by the AFF encourages the public to use services provided by attorneys with confidence.

In Afrikaans items, please refer to the 'Getrouheidsfonds vir Prokureurs'.