



For Immediate Release – February 28, 2019
FRAUD ALERT – CAUTION

The Law Society of New Brunswick has been notified that one of its members in the Moncton area has recently been presented with a forged bank letter from a client.

In this scenario, the lawyer had a first contact over the telephone with a prospective client purchasing residential property in the area. The lawyer gave information as to the fees to be expected and asking the male individual to come by the lawyer's office and to bring his identification papers needed for opening the file and for doing the purchase transaction. The prospective client never called again and never dropped off the requested documents. The lawyer was subsequently informed by the real estate agent that the deposit cheque was returned with insufficient funds. The real estate agent wasn't able to contact the purchaser. The lawyer was unsuccessful in getting a hold of the prospective client also. However, the lawyer received a letter from a known financial institution informing him that there were funds available for the purchase transaction. This seemed odd to the lawyer, so he contacted the bank. It is then that the lawyer learned that the bank never issued such a letter.

As usual, we are advising caution when dealing with fraud in real estate transactions. It was prudent to contact the financial institution that had prepared the letter, to determine the legitimacy of the letter.

When you open a new client file, refer to the *Law Society of New Brunswick Code of Professional Conduct* and the *Rules on Client Identification* which are available by clicking on the following link: <http://lawsociety-barreau.nb.ca/en/regulation/acts-and-rules/>

Also note that you have a responsibility to guard against becoming the tool or dupe of the unscrupulous client. Lawyers must be alert to and avoid unwittingly becoming involved with a client engaged in illegal activity. Vigilance is required, because the means for criminal activities may be transactions for which the lawyers commonly provide services.

If you are exposed to a fraud attempt of this nature or a variation of the situation described above, please advise the Law Society.