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## **A POTENTIAL NEW ATTACK ON YOUR BANK ACCOUNT**

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Fraudsters came calling to our office the other day via an attempt to help themselves to some money in our bank account. I want to share the story of what happened as a reminder of how important it is to regularly check your account on-line as well as complete monthly bank reconciliations. So here is what happened:

We paid a supplier's invoice by mailing them a cheque. Somehow, the cheque did not end up in the supplier's hands and they issued a statement to us advising that payment was still due. Lucky for us, we have an extremely diligent CFO who immediately followed up and found that the cheque had cleared our account but with an altered payee. The bank was able to determine that the cheque was deposited through a mobile banking method such that the recipient bank never handled the original cheque, thus making it easier to hide the alteration.

It gets worse. The thieves then duplicated the image of the cheque, altering the payee, amount and even the cheque numbers and they again deposited the cheques through mobile banking. Our bank was on alert and did not honor the cheques but the thieves attempted an additional 8 or 9 cheques between \$5,000 and \$10,000 each. In the absence of the statement alert from our supplier, this fraud would not have been caught until after month end when the bank reconciliation was being completed and the thieves may have had more than one pay day.

From here, the bank closed our account and opened a new one for us, requiring us to sign Statutory Declarations that the initial and subsequent fraudulent cheques were not our doing plus completing all of the "normal" steps with a new account: updating information for all auto-pay amounts and transfers. We were lucky as we suffered no financial losses by catching it early and notifying the bank. A sharp reminder of the importance of keeping watch over your bank account on a regular basis.