

# Scams on the Internet having impact on lawyers



**Charles Wagner**

In this column I write mostly about estate or commercial disputes. But given my recent unsuccessful attempts to defang a financial predator, I am taking this opportunity to alert people to fraudsters seeking to take advantage of the unsuspecting.

There are people who pretend to be lawyers and use the Internet to game the naïve and inexperienced. Others pretend to be clients and use unsuspecting lawyers as pawns in fraudulent schemes. These financial predators promise money or business opportunity.

For example, there are those who email people claiming to have found an inheritance and for a small fee these rogues promise the potential victim his inheritance. Other ne'er do wells pretend to represent companies outside of Ontario looking for a local lawyer to collect some debt. These con artists rely on fake bank drafts or certified cheques to scam lawyers before the cheques bounce back.

A common scam involves identity fraud. For example, a stranger contacts a real estate lawyer and shows the lawyer a deed transferring title from the real owners to the stranger. The stranger tells the lawyer that he wants to refinance, get a new mortgage and discharge the old mortgage. The lawyer arranges the mortgage, gives the money to the stranger/new client and discharges the old one. One problem – the real owners never signed the deed – their signatures were forged. And, by the way, there was no real first mortgage.

Here's some advice when dealing with these situations:

**1. If it's too good to be true:** If someone contacts you out of the blue and tells you something that is too good to be true then recognize it's likely a scam. The unheard of fourth cousin who left you lots of money is the stuff of fairy tales. I was first alerted to this type of a scam when a woman from Kansas called me and asked where she should send the cheque. I told this person that no one from my office ever contacted her. She forwarded me the emails of a person claiming to be me and seeking a "small payment" for accessing her new found inheritance. The victim looked up my number on the internet and called me because she wasn't sure where to send the money. I alerted her to contact the police and warned her she was the victim of a fraud.

**2. Check the identity of the stranger/client:** Almost every week I receive an email from a non-Ontario company that invites me to represent the company in the collection of certain debts. A variation of the scheme occurs when a person claiming that their ex-spouse won't pay support payments. When I research the company I invariably find that the email address given and the name of the representative is bogus. Sometimes, the rogue assumes the identity of a real person at the company. Just last week I was contacted by someone purporting to represent an Israeli company seeking representation in my state (clearly, this rogue didn't realize Canada is made up of provinces). As a courtesy, I called the company and alerted them. As I expected, there was no such person and they were not looking for legal representation. I forwarded the bogus email to their Israeli lawyer. So again, it's always important to verify the person's identity.

**3. When a lawyer contacts you:** Every province in Canada has a law society. If someone claims to be a lawyer in Ontario then check with the law society of the province in question. For example, the Law Society of Upper Canada (Ontario) has a web site which will tell you whether the person is a lawyer or paralegal in Ontario. See <http://www1.lsuc.on.ca/LawyerParalegalDirectory/load-SearchPage.do?jsessionid=4E4C6C16D9C019D80E5BF64869F4BBCD>. Last month I ran across a fraudster who calls himself Ernest Wong. The owner and operator of this web site copied my web site in its entirety and just replaced my name with his. This rogue even had the audacity to include my name on his web site. See <http://ernestwongassociates.com/commerciallaw.htm>. If you check the law society web site you will find that there is no lawyer named Ernest Wong listed in Ontario. Remember, don't feel reassured that a web site on Google means a person is really a lawyer. In this case, Ernest Wong was not on the law society web site, and he has been reported to Google, the Law Society and the Fraud Squad. His site is still up on Google. It is not even enough for you to see if a lawyer exists because someone can claim to be that lawyer. Call the number given by the law society web site and speak to the lawyer who left you the message to verify it's him.

**4. Verify the office location:** Fraudsters like Ernest Wong and the person who claimed to be me to the almost-victim in Kansas sometimes list their office as Osgoode Hall, 130

Queen St. W., Toronto. Local Lawyers who see this recognize a red flag of fraud because there are no private law offices at Osgoode Hall. That building houses the Court of Appeal for Ontario, the Superior Court of Justice and the Law Society of Upper Canada.

**5. Reporting Fraud.** I must confess that with respect to my personal experience, I have found this process frustrating. But, here are some sites of interest if you suspect fraud. Phone Busters (<http://www.phonebusters.com/>), The Royal Canadian Mounted Police - RECOL ('Reporting Economic Crime On-Line' <<http://www.recol.ca>>), Ministry of Consumer Services ([http://www.sse.gov.on.ca/mcs/en/Pages/Links\\_Anti\\_Fraud\\_Programs.aspx](http://www.sse.gov.on.ca/mcs/en/Pages/Links_Anti_Fraud_Programs.aspx)).

So you may be wondering whether I am making a moun-

tain out of molehill. Law Pro, the organization that insures lawyers stated that in 2008 lawyers reported 10 per cent of all claims involve fraud. Industry Canada (<http://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca02096.html>) suggests fraud is growing rapidly. In the US there are reports of internet fraud quadrupling to about 31,299 cases. While their statistics are dated, the concern is real.

I strongly urge readers, especially young lawyers, to educate yourselves on this issue. The best protection against fraud is being informed.

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