

# Tip of the Month

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## LACBA

LOS ANGELES COUNTY BAR ASSOCIATION

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## Exercise Reasonable Diligence in Identifying and Avoiding Common Internet-based Scams

Internet scams have swindled lawyers and law firms out of an estimated many millions of dollars in recent years. Internet scams targeting lawyers are growing increasingly sophisticated and are on the rise. Several ethics opinions from around the country have concluded that a lawyer's ethical duty of competence includes a duty to exercise reasonable diligence in identifying and avoiding common internet-based scams. New York City Bar Association Formal Opinion 2015-3 listed a series of potential red flags that should raise your level of suspicion concerning emails you receive out of the blue. These red flags include:

- ◆ The email sender is located abroad.
- ◆ The email sender does not provide a referral source, or when asked how the sender found you or the firm, responds through an online search.
- ◆ The initial email does not identify your law firm or your name, or begins: Dear barrister / solicitor / counselor.
- ◆ The email uses awkward phrasing or poor grammar suggesting it was written with poor English or translated into English.
- ◆ The email was sent to undisclosed recipients (suggesting it was sent to many others) or you are blind copied on the email.
- ◆ The email requests assistance in an area of law in which you do not practice.
- ◆ The email is vague on details, e.g. references a matter in your jurisdiction rather than specifying the jurisdiction.
- ◆ The email sender suggests a contingency fee arrangement or is quick to sign a retainer fee without any negotiation or discussion of the fee.
- ◆ The email sender assures you the matter will resolve quickly.
- ◆ A counterparty to the proposed transaction or suit also responds quickly settling the matter with little or no negotiation.
- ◆ The email sender insists that funds be wired to a foreign bank account, and as soon as the check clears, frequently claiming there is an emergency requiring the immediate release of funds.
- ◆ The email sender or the counterparty sends a closing payment or settlement check within a few days, typically a certified or cashier's check from a bank outside your jurisdiction.

If you receive an email with one of these red flags, delete it.