



FRAUD ALERT - CYBER ENABLED **CHEQUE FRAUD SCAM**



FINANCIAL INTELLIGENCE AGENCY
TURKS AND CAICOS ISLANDS

July 2024

Issue No. 2/2024

The Financial intelligence Agency (FIA) of the Turks and Caicos Islands (TCI) has noticed an increase in the occurrence of "Cyber Enabled - Cheque Fraud Scams" within the Turks and Caicos Islands. This notice is published to advise the public of this developing trend.

CYBER ENABLED - CHEQUE FRAUD SCAMS

Cheque fraud occurs when a fraudster falsifies cheques. These cheques are then used to scam or swindle unsuspecting individuals or businesses of their funds. The FIA has noticed an emerging trend of cyber enabled cheque fraud scams within its Suspicious Activity Reports (SAR) reports. These SAR reports noted that the main medium of communication to reporting entities was via email correspondence.



TREND NOTED WITHIN THE TCI

Scammers often contact reporting entities (REs) via email, purporting to be potential clients. The REs after engaging with the fraudster through email correspondence and requesting the necessary KYC documents, is asked by the fraudster to deposit a cheque into their business account. The REs are then pressured to wire transfer funds to an international bank account, usually within 3 - 7 days of the cheque deposit, well before the cheque is cleared by the RE's local bank. Within a few weeks of the funds being transferred, the REs are usually informed by the bank that the cheque was a counterfeit. However, by then the RE would have already lost their funds, due to the transfer of the funds to another location, which are ultimately withdrawn by the fraudster.

PROTECT YOURSELF

- Conduct the proper due diligence before engaging in business with potential clients.
- Reduce the use of cheques and opt for electronic payments like wires, direct deposit and pre-authorized payments instead.
- If you notice that this type of fraud has occurred, contact your bank immediately and give them all the details of the transaction. They may be able to stop this transaction.
- Be vigilant. Inspect the cheque/s, feel the paper quality, check the logo, verify the cheque number.
- Implement a policy that states that wire transfers will not be sent until 30 days after a cheque is deposited. This will give the bank time to verify whether the cheque is fraudulent.
- Report all cases of cheque fraud along with all details to local law enforcement.



If you are a victim of fraud report it to the Royal Turks and Caicos Police Force.

For further information contact the FIA or visit our website

Office: (649) 947 - 7691 / 3692 / 8429

Email: administration@fia.tc

website: www.fia.tc