

# PROTECT YOUR MONEY!

Legal chat for Individuals, Investors and Businesses: *Dealing with Fraud, Scams, Cybercrime & Recovering Assets.*



# Speakers & Bios



## **Colin Cohen**

Senior Partner  
Boase Cohen & Collins

## **Qualifications**

- B.A. (Hons) Business Law, 1977
- LL.M. Cambridge University, 1978 (First class honours)
- Admitted as a Solicitor in England and Wales in 1981
- Admitted as a Solicitor in Hong Kong in 1981
- Notary Public since 1991
- Hong Kong International Arbitration Centre Accredited General Mediator, 2009

Co-founder of BC&C in 1985 and Senior Partner since 2004, Colin has vast experience in the highest levels of Hong Kong's legal system, leading teams in complex corporate crime cases, high-conflict civil litigation, dispute resolution, landmark judicial reviews and Court of Final Appeal hearings.

# Speakers & Bios



## ***Abraham Ng'hwani***

Founder & CEO

**Abranova Real Estate, INC**

Abraham is the CEO and Founder, hailing from a construction and real estate family background before working for Gilbane Building Company one of the largest contractors in the nation.

The idea of a vertically integrated construction development firm evolved during his tenure as a preconstruction engineer; observing the inefficiencies that large contractors have normalized inspired him to found an investor-focused development firm.

Our firm streamlines construction expertise, data analytics and a hands-on approach to the entire value creation chain of real estate development in order to create optimal value for investors.

Abraham believes in life-long learning, but he also graduated with a Mechanical Engineering degree from Duke University where he was a Reginaldo Howard Scholar.

# ***Types of Scams, Fraud & Cybercrimes***

1. Business Email Compromise
2. Phishing
3. Advance Fee Fraud
  - (a) Debt Elimination Fraud
  - (b) Nigerian Fraud
4. Cashier's Check Fraud
5. Fictitious/Unauthorized Banking
6. High Yield Investment Fraud (Prime Bank Fraud)
7. Identity Theft



# 1. **Business Email Compromise**

Business email compromise (BEC)—also known as email account compromise (EAC)—is one of the most financially damaging online crimes. It exploits the fact that so many of us rely on email to conduct business—both personal and professional.

In a BEC scam, criminals send an email message that appears to come from a known source making a legitimate request, like in these examples:

- ◉ A vendor your company regularly deals with sends an invoice with an updated mailing address.
- ◉ A company CEO asks her assistant to purchase dozens of gift cards to send out as employee rewards. She asks for the serial numbers so she can email them out right away.
- ◉ A homebuyer receives a message from his title company with instructions on how to wire his down payment.

In February, the FBI released its annual report on internet crime. It concluded that 2019 “saw both the highest number of complaints and the highest dollar losses reported” in 20 years—an average of nearly 1,300 complaints a day, with “more than \$3.5 billion” in reported losses to individuals and businesses. These included losses due to phishing scams (the most frequent complaint, resulting in about 115,000 reports and nearly \$60 million in losses) and so-called “business email compromise” scams.

*Sources: <https://www.fbi.gov/how-we-can-help-you/safety-resources/scams-and-safety/common-scams-and-crimes/business-email-compromise>  
<https://newrepublic.com/article/158582/theres-never-better-time-white-collar-criminal>*

## **2. Phishing**

### **Spoofing**

Spoofing is when someone disguises an email address, sender name, phone number, or website URL—often just by changing one letter, symbol, or number—to convince you that you are interacting with a trusted source.

### **Phishing**

Phishing schemes often use spoofing techniques to lure you in and get you to take the bait. These scams are designed to trick you into giving information to criminals that they shouldn't have access to.

In a phishing scam, you might receive an email that appears to be from a legitimate business and is asking you to update or verify your personal information by replying to the email or visiting a website. The web address might look similar to one you've used before. The email may be convincing enough to get you to take the action requested.

*Source: <https://www.fbi.gov/how-we-can-help-you/safety-resources/scams-and-safety/common-scams-and-crimes/spoofing-and-phishing#:~:text=Phishing%20schemes%20often%20use%20spoofing,shouldn't%20have%20access%20to.>*



## **3. Advanced Fee Fraud**

Advance fee fraud, also called upfront fee fraud, is any scam that, in exchange for a fee,

- Promises to send you money, products, or services;
- Offers you the opportunity to participate in a special deal;
- Asks for your assistance in removing funds from a country in political turmoil; or
- Asks for your assistance to help law enforcement catch thieves.

### **Debt Elimination Fraud**

Unlike legitimate companies who work with debtors to help them responsibly repay their debts, debt elimination scammers promise to make you debt free in exchange for a modest upfront or membership fee that they simply pocket.

### **Nigerian Fraud**

This fraud combines identify theft and advance fee fraud. Scammers posing as government officials contact victims asking for help in transferring millions of dollars out of Nigeria in exchange for a percentage of the funds.

*Source: <https://www.occ.gov/topics/consumers-and-communities/consumer-protection/fraud-resources/types-of-consumer-fraud.html>*

## **4. Cashier's Check Fraud**

A cashier's check is a check issued by a bank and payable to a specific person. Because a cashier's check is issued by a bank, itself, the cashier's check is paid by funds of the bank and not the depositor. Therefore, if an item is genuine, there is very little risk that the instrument will be returned.

Source:<https://www.occ.gov/news-events/news-and-events-archive/consumer-advisories/consumer-advisory-2007-1.html>

## **5. Fictitious/Unauthorized Banking**

Banks operating without a license or charter in the United States or any other country are operating in an unauthorized manner.

## **6. High Yield Investment Fraud (Prime Bank Fraud)**

High yield investment fraud, also called prime bank fraud, involves issuing or trading prime bank, prime European bank, or prime world bank financial instruments that do not, in fact, exist.

## **7. Identity Theft**

It occurs when someone uses your personal information, such as your name, Social Security number, or credit card number, without your permission to commit fraud or other crimes.



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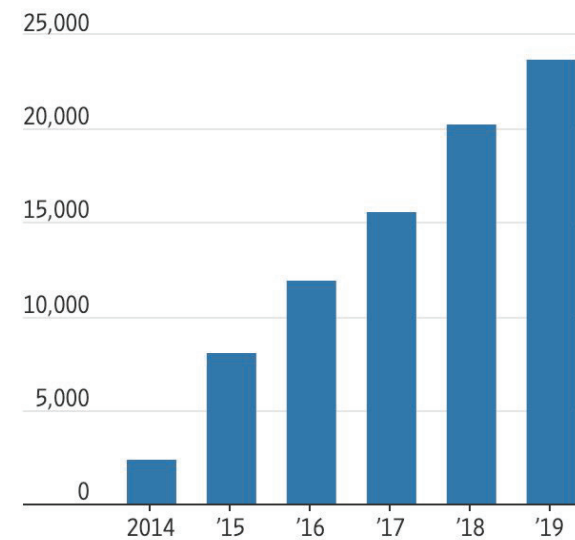
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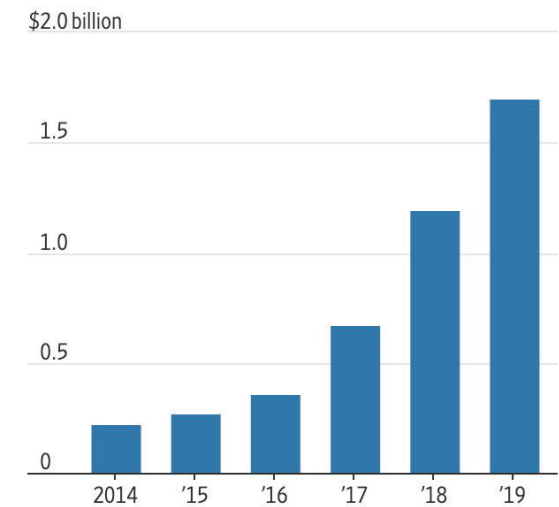
# A Deep Dive: The Business Email Compromise

It's an increasingly sophisticated schemes in which scammers use spoofed or hacked email accounts to fraudulently solicit money (the costliest source of complaints, resulting in about \$1.8 billion in reported losses).

Business-email compromise complaints received by the FBI



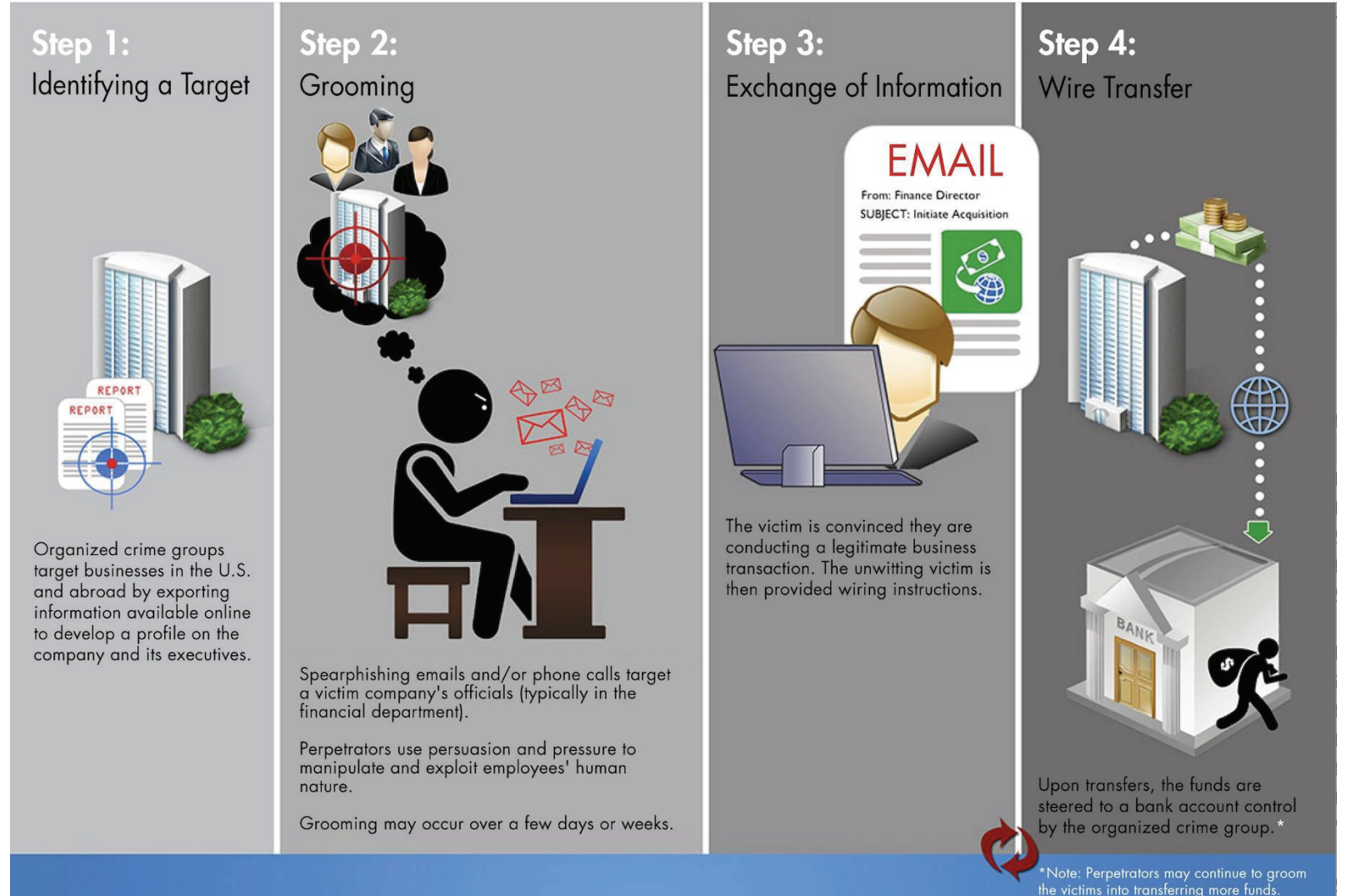
Estimated losses from email scams



Source: Federal Bureau of Investigation

# Business Email Compromise Timeline

An outline of how the business email compromise is executed by some organized crime groups



Source: <https://www.fbi.gov/how-we-can-help-you/safety-resources/scams-and-safety/common-scams-and-crimes/business-email-compromise>

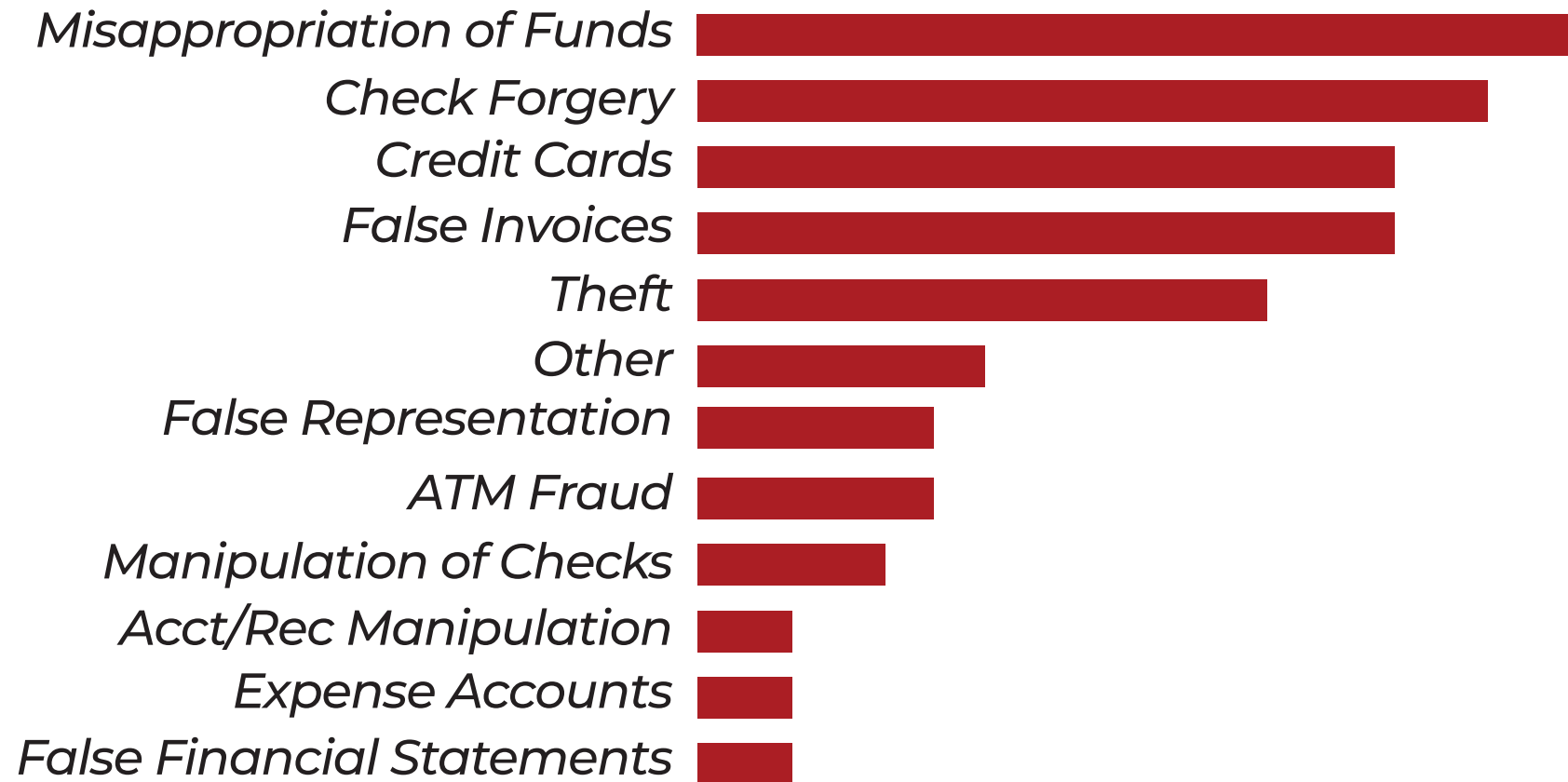
# ***There's Never Been a Better Time to Be a White-Collar Criminal***

*In January, before the pandemic destabilized federal law enforcement efforts, the number of new federal white-collar prosecutions reached an all-time low, according to data spanning nearly 35 years. Just 359 new defendants were prosecuted for white-collar crime across all 94 federal districts, down 25 percent from five years before.*

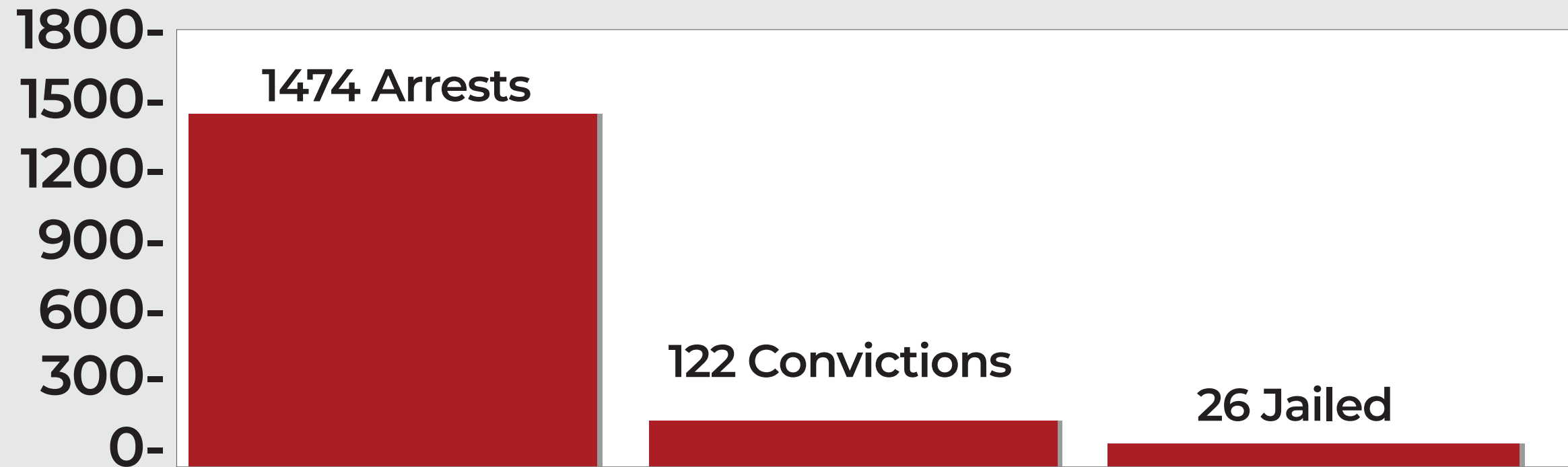
<https://newrepublic.com/article/158582/theres-never-better-time-white-collar-criminal>



# ***Fraud by Type***



# **98% of Forgers Go FREE**



Source: Dept. Of Justice 1998

# ***Epidemic of cheating***

Among teens who rank at the Top of their classes 80% have:

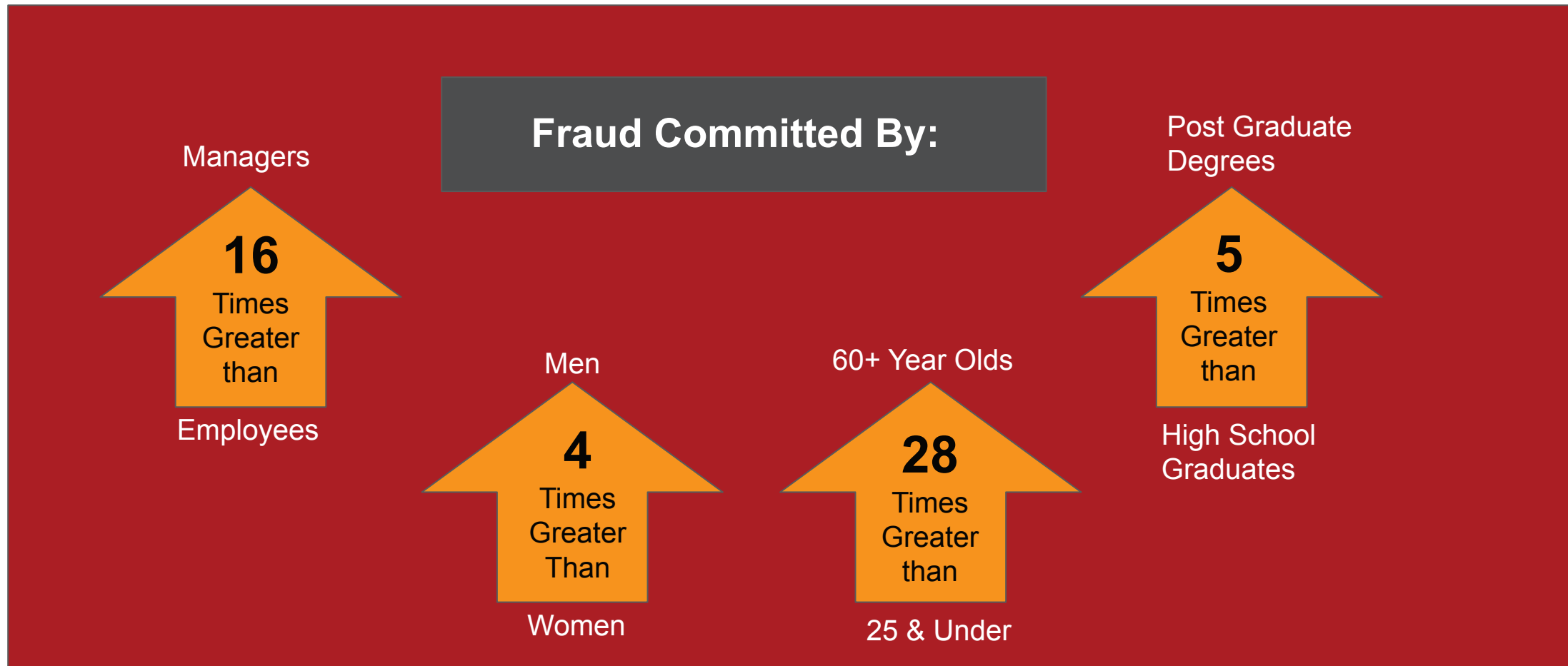
- Cheated
- Copied
- Plagiarized



Who's Who Among American  
High School Students' 29th Annual Survey of High Achievers  
USA Today 2/1/99



# Picture of Embezzlers



Source: Study by Association of Certified Fraud Examiners 2000

# Consumers lost **\$5.8 billion** to fraud last year — up **70%** over 2020

“American consumers reported losing more than \$5.8 billion to fraud last year, up from \$3.4 billion in 2020 (an increase of more than 70%), the Federal Trade Commission said Tuesday.

Almost 2.8 million consumers filed a fraud report to the agency in 2021 — the highest number on record dating back to 2001, according to the FTC. About 25% of those scams led to a financial loss, with the typical person losing \$500.

The true toll is almost certainly higher since some incidents likely weren't reported to the agency.”



Source: <https://www.cnbc.com/2022/02/22/consumers-lost-5point8-billion-to-fraud-last-year-up-70percent-over-2020.html>

# **Justice Department Charges Dozens for \$1.2 Billion in Health Care Fraud**

“The Department of Justice today announced criminal charges against 36 defendants in 13 federal districts across the United States for more than \$1.2 billion in alleged fraudulent telemedicine, cardiovascular and cancer genetic testing, and durable medical equipment (DME) schemes.

The nationwide coordinated law enforcement action includes criminal charges against a telemedicine company executive, owners and executives of clinical laboratories, durable medical equipment companies, marketing organizations, and medical professionals. In connection with the enforcement action, the department seized over \$8 million in cash, luxury vehicles, and other fraud proceeds.”

*Source: <https://www.justice.gov/opa/pr/justice-department-charges-dozens-12-billion-health-care-fraud>*

# U.S. sent **\$1.3 billion** in small business covid aid abroad, raising new fraud fears

“ As the U.S. government raced to shore up small businesses’ finances at the height of the pandemic, it may have erroneously awarded more than \$1.3 billion to foreign applicants — raising new suspicions that the program might have helped fund overseas crime syndicates.

The top watchdog for the Small Business Administration, which reported its findings on Monday, said the spending posed a “significant risk of potential fraud.” In doing so, the watchdog underscored the agency’s persistent, costly and well-documented struggles to ensure its vast array of coronavirus aid benefited the cash-strapped firms that needed it the most.”

Source: <https://www.washingtonpost.com/us-policy/2022/09/12/sba-fraud-foreign-eidl/>



# New Data Shows FTC Received **2.8 Million** Fraud Reports from Consumers in 2021

“Newly released Federal Trade Commission data shows that consumers reported losing more than \$5.8 billion to fraud in 2021, an increase of more than 70 percent over the previous year.

The FTC received fraud reports from more than 2.8 million consumers last year, with the most commonly reported category once again being imposter scams, followed by online shopping scams.

Prizes, sweepstakes, and lotteries; internet services; and business and job opportunities rounded out the top five fraud categories.

Of the losses reported by consumers, more than \$2.3 billion of losses reported last year were due to imposter scams—up from \$1.2 billion in 2020, while online shopping accounted for about \$392 million in reported losses from consumers—up from \$246 million in 2020.”

*Source: <https://www.ftc.gov/news-events/news/press-releases/2022/02/new-data-shows-ftc-received-28-million-fraud-reports-consumers-2021-0>*

# ***Billion-Dollar Scams:***

## **The Numbers Behind Business Email Compromise**

*“ Over the past three years, Business Email Compromise (BEC) schemes have caused at least \$5.3 billion in total losses to approximately 24,000 enterprises around the world, according to the latest figures from the FBI. Since January 2015, there has been a 2,370% increase in identified exposed losses, amounting to an average loss of \$218,000 per victim. The potential damage and effectiveness of these campaigns compelled the FBI to issue a public service announcement detailing how BEC scams work and how much damage it can cause to targeted employees and companies.*”

Source: <https://www.trendmicro.com/vinfo/mx/security/news/cybercrime-and-digital-threats/billion-dollar-scams-the-numbers-behind-business-email-compromise>

# **How do BEC Schemes work?**

*The FBI defines Business Email Compromise as a sophisticated email scam that targets businesses working with foreign partners that regularly perform wire transfer payments. Formerly known as the Man-in-the-Email scam, BEC typically starts when business executives' email accounts are compromised and spoofed, with the fraudster sending emails to an unknowing employee instructing them to wire large sums of money to foreign accounts.”*

Source: <https://www.trendmicro.com/vinfo/mx/security/news/cybercrime-and-digital-threats/billion-dollar-scams-the-numbers-behind-business-email-compromise>



# ***FRAUD RESOURCES***

## **Abagnale & Associates**

**(800) 237-7443**

*www.abagnale.com*

*Secure document consultants.*

## **American Association of Retired Persons (AARP)**

**(800) 424-3410**

*www.aarp.org*

*A national organization of people fifty years or older, it offers tips on fraud prevention, especially crimes against the elderly.*

## **Association of Certified Fraud Examiners**

**(800) 245-3321**

*www.cfenet.com*

*An international organization dedicated to fighting fraud and white-collar crime through prevention and education.*

## **Authentication News-Reconnaissance International**

*www.reconnaissance-intl.com*

*(303) 779-1096-U, S.*

*44 (o) 1784-497008-England*

*A trade publication that covers counterfeiting of all manner of products and news of the latest techniques to combat counterfeiting.*

# ***FRAUD RESOURCES***

## **Boise Cascade**

(503) 224-7250

[www.bc.com](http://www.bc.com)

*A leading manufacturer of secure check stock. Although individuals or companies can't buy checks from them, printers can purchase their paper.*

## **Consumer Federation of America**

(202) 387-6121

[www.consumerfed.org](http://www.consumerfed.org)

*A national organization of consumer groups, it dispenses information on fraud and acts as an advocate for consumers.*

## **Council of Better Business Bureaus**

(703) 276 - 0100

[www.bbb.org](http://www.bbb.org)

*An organization of local Better Business Bureaus, it provides consumer assistance and tries to arbitrate consumer complaints. It can direct you to your local Better Business Bureau.*

## **Council of Foundations**

(202) 466-6512

[www.cof.org](http://www.cof.org)

*A nonprofit association of grantmaking foundations, this is a good resource to check on the legitimacy of a charity or foundation.*

# ***FRAUD RESOURCES***

## **Credit Line**

*(800) 962-1008*

*A company that provides its members credit reports concerning inquiries and derogatory reports on their credit.*

## **Department of Justice- Identity Theft**

*[www.usdoj.gov/criminal/fraud/idtheft.html](http://www.usdoj.gov/criminal/fraud/idtheft.html)*

*This government website offers tips on how to prevent identity theft and lists recent cases.*

## **Equifax**

*Credit Bureau*

*(800) 525-6285 (report fraud)*

*[www.equifax.com](http://www.equifax.com)*

*One of the three major credit reporting agencies. It furnishes information and tips about preventing fraud.*

## **Experian**

*Credit Bureau*

*(888) 397-3742*

*[www.experian.com](http://www.experian.com)*

*Another of the major credit reporting agencies that also offers suggestions on guarding against fraud*

# ***FRAUD RESOURCES***

## **Federal Bureau of Investigation (FBI)**

*(202) 324-3000*

*www.fbi.gov*

*The Justice Department's law enforcement arm, the FBI investigates federal crimes and offers tips on fraud prevention and lists of the most common frauds.*

## **Federal Deposit Insurance Corporation (FDIC)**

*(800) 934-FDIC*

*www.fdic.gov*

*The entity that insures bank deposits and promotes sound banking practices. It provides consumer assistance in dealing with banking matters under federal consumer protection laws.*

## **Federal Trade Commission (FTC)**

*(202) 326-2222*

*www.ftc.gov*

*The government agency that enforces many federal antitrust and consumer protection laws. The place to go for information, or to file a complaint for things like loan scams, telemarketing, fraud, charity scams, phone swindles, lottery scams, and identity theft.*

## **Immigration and Naturalization Services**

*(202) 514-1900*

*www.usdoj.gov*

*The government agency that deals with immigration matters, and the place to go for information about passport fraud and scams involving fraudulent immigration documents.*

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## **InterGov**

(317) 823-0377  
[www.intergov.org](http://www.intergov.org)

*An international organization devoted to safe use of the Internet., it offers on - line scam prevention services.*

## **Internal Revenue Service (IRS)**

(800) 829-1040  
[www.irs.ustreas.gov](http://www.irs.ustreas.gov)

*The IRS provides information on tax frauds and investigates tax crimes and related financial crimes. Companies can report embezzlers to the IRS and consumers can file complaints about fraudulent or deceptive charities with the agency.*

# **FRAUD RESOURCES**

## **The Nilson Report**

(805) 983-0448

[www.nilsonreport.com](http://www.nilsonreport.com)

*The leading trade publication covering consumer payment systems.*

## **Office of the Comptroller of the Currency**

(800) 613-6742

[www.occ.treas.gov](http://www.occ.treas.gov)

*The agency of the Department of Treasury that regulates national banks and deals with fraud involving these banks.*

## **PrivacyGuard**

(800) 374-8273

*A company that provides its members credit reports and monthly reports concerning inquiries and derogatory reports on their credit.*

## **Privacy Rights Clearinghouse**

(619) 298-3396

[www.privacyrights.org](http://www.privacyrights.org)

*A nonprofit consumer information, research, and advocacy program that offers tips on how to safeguard your personal privacy. It deals with issues like Internet privacy, identity theft, telemarketing, medical records, workplace privacy, among others.*

# **FRAUD RESOURCES**

## **Product & Image Security Magazine**

(847) 318-1524

[www.eci-international.com/pismain.html](http://www.eci-international.com/pismain.html)

*The official journal of the Label and Tag Security International Association, it covers the problems of counterfeiting, retail theft, and product tampering, along with solutions to these threats.*

## **Securities and Exchange Commission (SEC)**

(202) 942-8088

[www.sec.gov](http://www.sec.gov)

*The agency that regulates sales of securities and public offerings, it can answer questions about security transactions and verify the registration of securities dealers and firms.*

## **Social Security Administration**

(800) 772-1213

[www.ssa.gov](http://www.ssa.gov)

*The government agency that administers the Social Security program, it offers a hotline to report fraud involving your Social Security number and furnishes information on identity theft.*

## **Standard Register Company**

(800) 755-6405

[www.standardregister.com](http://www.standardregister.com)

*An industry leader in providing secure documents. It offers a wide array of security features that will protect your documents against fraud. It services many of the leading Fortune 500 companies.*



# FRAUD RESOURCES

## **TeleCheck**

(800) 835-3243

[www.telecheck.com](http://www.telecheck.com)

*The leading check acceptance company, it offers electronic check conversion, check guarantee, and check verification services to businesses and merchants.*

## **TransUnion**

*Credit Bureau*

(800) 680-7289

[www.transunion.com](http://www.transunion.com)

*One of the three major credit reporting agencies. It disseminates an array of fraud prevention information.*

## **United States Federal Reserve Bank**

(202) 452-3946

[www.federalreserve.gov](http://www.federalreserve.gov)

*The body that regulates state banks that are members of the Federal Reserve System*

## **United States Secret Service**

(202) 406-5708

[www.treas.gov/usss](http://www.treas.gov/usss)

*The government agency charged with investigating counterfeiting of U.S. currency and safeguarding the payment and financial systems of the United States. It also investigates financial institution fraud, computer fraud, and cases involving false identity documents, among other crimes.*