

Don't Get Scammed! Fraud Prevention Tip

If you are concerned about fraudulent activity on your IOLTA or business bank account, ask your bank about fraud detection services like Positive Pay and Automated Clearing House (ACH) "block and filter" for automated transactions.

Do Checks Presented for Payment Match the Checks You Wrote?

With Positive Pay, the bank customer transmits electronic files of the checks it issues to the bank. The bank then compares the checks presented for payment to the electronic file sent by the bank customer. If a check presented for payment does not match, the customer is notified immediately.

Has a Payee's Name Been Altered?

Payee Positive Pay provides additional protection by helping bank customers detect and prevent alteration of payee names on checks. The customer provides the bank with a list of approved payees. Deposited checks and checks presented at the teller line are compared and verified against the approved payee list. The customer is notified of any non-matching payee names. Reverse Positive Pay (RPP) is also available. With RPP, the bank generates an electronic file of all items paid on a daily basis. The customer receives the file and compares the paid items to the customer's own records. In the event of a discrepancy, the customer can inform the bank in time to make a return decision (i.e., the customer can instruct the bank to dishonor the check).

Do You Want to Block or Control Automated Transactions Posted to Your Account?

ACH block and filter services provide this protection. With "block and filter," the customer can:

- Set criteria to authorize ACH debits or credits to the customer's account.
- Exclude specified ACH debits or credits.
- Block all ACH debits.
- Block all ACH credits.
- Block both ACH debits and credits.

Are Fraud Prevention Services Right for Your Law Firm?

When assessing whether fraud prevention services make sense for your firm, consider the following:

- Do you or a trusted, authorized staff person have the time to generate and review electronic reports for potential non-matching transactions?
- Can your system generate the electronic files needed for transaction comparison? If not, does your bank offer compatible software and at what cost?
- Are you willing to pay for fraud prevention services? Banks offering Positive Pay, Payee Positive Pay, Reverse Positive Pay, or equivalent services generally charge per transaction or item presented.

At the very least, it is worth talking to your banker and reviewing the services your bank offers.

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