

Risk alert

15 July 2016



Organisational identity fraud

VMIA has recently received notice from two clients about large scale financial fraud or scam activity.

The fraud is based on bogus email, correspondence and telephone calls advising an organisation that a supplier has changed bank account details for future payments. Following email confirmation of the bank account details a large amount of money was transferred to an incorrect and fraudulent account.

The financial fraud targets Accounts Payable areas and personnel, using someone representing a supplier or contractor, and false documentation with logos and information taken from websites. The supplier is one who would have regular transactions for payment in relation to services provided. The two cases of fraud also involve a relationship established through an online connection – an area where individuals and actions should be very carefully examined.

The scams have been referred to the Victorian Fraud Squad and actions have been taken by the banks to retrieve the incorrect transfers.

What to do

As the fraud involves accounts and financial transactions finance areas and staff should be made aware of this activity.

Any advice from a supplier or third party which involves the redirection of amounts of money should be closely checked.

VMIA recommends clients review their internal processes for verifying changes in relation to financial transactions, including when changing bank account details.

Any similar activity over recent months should be reviewed to ensure no fraud activity was involved.

Support for clients

VMIA is working closely with our clients to determine the extent of their loss.

If you would like to discuss further please contact our Client Advisory Team.

Phone: 9270 6900

Email: contact@vmia.vic.gov.au