



SPECIALIST
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ITIC Circular – Fraud Warning

April 2016



ITIC issued circulars to members in 2014 and 2015 in relation to the fraudulent diversion of port expenses, hire/freight payments and cash to master expenses through interception of email communications: <http://www.itic-insure.com/support/publications/circulars>

Unfortunately ITIC continues to see this type of fraud committed across the marine industry. In cases we have seen this week fraudsters have used the following wording to justify a payment to their fraudulent bank account:

Reference to our previous email of today our bank confirmed that our Account has been subjected to some tight security by the Income Tax Dept. and at this moment, we are unable to operate our previous account, due to which, we cannot use the funds that you will transfer for until the scrutiny is released.

Therefore, this might require a change of account for receiving our remittance for first hire payment. On your confirmation that payment has not yet been sent we will forward our company's subsidiary bank details with the same beneficiary name and a revised invoice.

ITIC advises members to remain vigilant and **treat any instructions to make a payment to a different bank account as suspicious.**

Another recent version of this type of fraud reverses the position. Rather than try to divert the payment being made by the owner the fraudsters attempted to get the agent to send them the money. The owners had sent a message to their port agent advising of “cash to master” payments they were going to make to the agent’s account for subsequent delivery to the ship. The money duly arrived but almost immediately the agent received a message saying that the payments were not required and could the agent return the funds. The message included the account details for the repayment. Fortunately the agent was concerned about the message and telephoned their principal to check. The fraud therefore failed but it is unlikely that this will be the only use of this particular technique.

Members should **verify suspicious instructions** by telephoning the other party. Members should **not reply directly** to the email but instead re-enter the email address from a previous message that was accepted as being authentic. Similarly, members should not call a telephone number in the fraudulent email.

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