



## The Fraud Recovery Checklist

Checks start bouncing from an account that's supposed to have a six-figure balance. You walk into your office to find computers and records missing. Interest payments stop coming from the investment you sank your savings into.

Once you discover you're the victim of a scam, you enter a swirl of confusion, anger and panic. The first actions you take can mean the difference between spinning hopelessly and having a chance of recovering your losses or even bringing criminals to justice.

All of us hope we won't fall into a con. But if you do, or need to advise someone who has, these steps offer an effective way forward:

### Step one: Call your attorneys

- If your lawyers are not well-versed in fraud, ask them to recommend someone who is. A criminal attorney who specializes in fraud cases will help you coordinate your strategy going forward, and all conversations with a lawyer will be privileged, offering you confidentiality.



Experienced fraud lawyers are your lifeline. Involving them from the outset will save you untold trouble later. They live these situations every day and won't be struggling to get up to speed as they go.

## Step two: Stop the bleeding

- If you believe records have been tampered with or equipment has been stolen, secure the location or office. Lock up computers, cell phones, financial records, confidential documents and other evidence. Make sure that hard drives are intact.
- You may need to change the locks of your office/location or hire security guards.
- Ensure that the suspected perpetrator no longer has access to your computer networks, financial records and proprietary data.
- Alert your bank or brokerage. If the suspect has blank checks or access to your accounts, close the accounts.
- Alert credit card companies and cancel any cards the suspect is authorized to use or may have access to.



## Step three: Alert the authorities

- File a police report with your local police department.
- If it's a cybercrime, file an IC3 complaint with the Internet Crime Complaint Center, which is a partnership between the Federal Bureau of Investigation (FBI) and the National White Collar Crime Center (NW3C).
- If a financial institution or investment is involved, report the crime to the bank, brokerage, or regulatory authority with oversight, such as FINRA, the SEC or FTC. StopFraud.gov has a list of organizations, based on the types of fraud, on the website's "Report Fraud" section.



Set your expectations appropriately. It's likely that after you file your report or complaint, you will not hear anything back from the police, FBI or NW3C. In some jurisdictions, fraud cases may not get serious consideration unless they exceed a certain threshold—which may be in excess of \$1 million.

You may need a police report or complaint, however, to file an insurance claim, and this step will enhance your position if you file a civil suit, or package any evidence you gather for a criminal referral to the most appropriate authority.

## **Step four: Work with your lawyer to develop a recovery plan**

This will take time. You'll want to determine the extent of the crime, and identify all the people involved. There may be many. The research process may involve extensive online searching for resources, digging for information on the perpetrators, identifying other victims, and looking at blogs, activist groups, and social networking sites.



An investigative team that specializes in fraud can give you invaluable help.

You may decide to file a civil lawsuit, or take your assembled evidence to someone who can make a criminal case against the perpetrator. You may also decide to absorb your losses and go on. Your lawyer can advise you about the advantages and disadvantages of any strategies.

## **One last thing: Don't leave yourself out of the equation.**

This experience is bound to take a toll on you, personally. Coping with the stress and anxiety of being defrauded can be difficult and affects everyone differently. The FBI has developed Victim Assistance tips ([www.fbi.gov/stats-services/victim\\_assistance/coping](http://www.fbi.gov/stats-services/victim_assistance/coping)) that can help.

**Call: 213/243-0707**

**background intelligence, inc.**