



News

David S. Weinstein Describes COVID-19-Related Fraud Schemes Targeting Financial Institutions and Individuals

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Hinshaw's David S. Weinstein, a Miami-based partner and former federal prosecutor, authored a byliner titled "Fraud, Imposter Scams and Money Mule Schemes Proliferate During COVID-19," published in the *Daily Business Review*. The article focuses on a range of fraud schemes perpetrated on individuals and financial institutions that seek to use the COVID-19 crisis as cover.

Weinstein focuses on two particular types of schemes related to COVID-19 that prompted the U.S. Department of Treasury's Financial Crimes Enforcement Network (FINCEN) to issue an advisory on July 7: imposter scams and money mule schemes, "where fraudsters deceive victims by impersonating federal government agencies, international organizations or charities." He cautions that "[fraudsters] use traditional fraud pitches to enlist the help of their victims. Corporate C-level officers, legal departments, cybersecurity professionals, banks and individual consumers should take particular notice."

With regard to the imposter scams, Weinstein notes red flags and that while they target individuals, financial institutions should be "on the alert for potential suspicious activities [involving their customers]." He adds that FINCEN has requested that financial institutions should "report [any] suspicious activity to [FINCEN] in order to assist law enforcement with curtailing these fraudulent activities."

As to money mule schemes, which involve "a person who transfers illegally acquired money on behalf of or at the direction of someone else," Weinstein describes various red flags for which financial institutions should keep an eye out. He goes on to point out requests that FINCEN has made of financial institutions to report suspicious activity to the agency.

[Read the full article on the *Daily Business Review* website](#) (subscription may be required)

"Fraud, Imposter Scams and Money Mule Schemes Proliferate During COVID-19" was published by the *Daily Business Review* on August 5, 2020.

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