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CIRCULAR F&SCM2 OF 2016

TO: CUSTOMERS OF UMALUSI

Management has been made aware of a number of bank account scams involving Umalusi customers. Please note that Umalusi has not changed its banking details since the account was opened in1988.

The South African Banking Risk Information Centre (SABRIC) has also warned that a scam informing people of a 'Change in Banking Details' is on the rise in the country.

Criminals are always on the lookout for new ways to make easy money. However, the majority of fraud is just old ideas that catch new people. Independent schools, TVET colleges, assessment bodies, certification and verification customers must be aware of business-to-business **identity theft** scams that involve the fraudulent diversion of payments into accounts not belonging to suppliers.

Perpetrators of this scam usually assume the identity of a supplier, in this case Umalusi. The fraudsters may call the targeted business to introduce themselves as the new account manager at Umalusi. An email or a letter using fraudulent letterheads is sent to inform the targeted business of changes in banking account details. The perpetrators will request all future payments be paid into the new account. Please be warned that the new bank details belong to an account under the control of the fraudsters.

This is an old scam, but the perpetrator's attention to detail makes these communications seem authentic, which can turn unsuspecting independent schools, TVET colleges, assessment bodies, certification and verification customers into easy targets. These perpetrators ensure that correspondence from the targeted business to verify the notification is diverted to a member of their group who will confirm the instruction to be legitimate. Businesses should take their time to verify the notifications for change in banking details from their suppliers even when under pressure to do so at the end of the month, unless the legitimacy of the notice is certain. Businesses should always ensure that they are satisfied with the validity of communication from the supplier.

Whilst all reasonable steps are taken to ensure the accuracy and integrity of the information contained herein, Umalusi accepts no liability or responsibility whatsoever if the information is, for whatsoever reason, incorrect and Umalusi reserves its right to amend any incorrect information.

Tips to Avoid Becoming a victim of Change of Banking Account Details Scams include:

- Verify all notices of change in bank account details.
- Beware of false confirmation e-mails from almost identical e-mail addresses, such as .com instead of co.za, or slight variations from genuine addresses that can be easily missed.
- It is essential that the identity of the person your business is dealing with is confirmed at all times.
- Never throw away your business (and suppliers) invoices or any communication material that contains letterheads. Instead, you must shred all unused documents.
- Verify any request for or changes to information with the supplier over the telephone, ideally with someone you know and have known for some time.
- Use your database contact details to confirm notifications for any changes of banking details via official correspondence with your suppliers (such as a letter), preferably before processing the next payment.
- Do not publish your bank account details on the internet. This private information can be used fraudulently to trick genuine customers into making payments to alternative accounts.
- Ensure that your company's private information is not disclosed to third parties who are not entitled to receive it, or third parties whose identities cannot be accurately verified.

Umalusi has revised its invoices to include the Umalusi logo, banking details and reference numbers to ensure authenticity.

What can you do as a victim of this type of fraud?

- Once you are a victim of this type of fraud it is always prudent to first notify the Police.
- You can also commence a civil recovery of these monies against the fraudster. It may also be necessary to use tracing mechanisms to trace the identity of the fraudsters or even freezing injunctions to freeze the assets of the fraudsters.
- Finally, check with your insurer to see if it is an insurable loss.

As Umalusi is not a party to the transaction, we cannot act on behalf of the independent schools, TVET colleges, assessment bodies, certification or verification customers in regards to the recovery of monies wrongfully deposited. The outstanding debt will remain until the amount is settled in our bank account.

Please contact Umalusi if you have received any correspondence in regard to changed banking account details. We would like to establish if any other independent schools, TVET colleges, assessment bodies, certification or verification customers were targeted.

Your cooperation in this regard will be highly appreciated.

Yours sincerely

Mrs J Rousseau
ACTING CHIEF FINANCIAL OFFICER