

## Weekly Rep Call

Click [HERE](#) to listen to a recording of this week's rep call.

Call Notes (Click on the [red links](#) to learn more):

**[NO CALL NEXT WEEK](#)**  
**[☐☐HAPPY FOURTH OF JULY!!!☐☐](#)**

### Compliance/Administration

#### - True Crime: the [Cambridge fraud](#) edition

- Case Study 1: Client Email Compromise with Request for Funds
  - A fraudster had used information gleaned from prior email conversations between the advisor and the client, and account documentation stored in the client's email inbox, to reproduce a request for funds and sign documents using a copy of the client's signature. Cambridge Compliance was immediately notified, and began the process of attempting to recover funds and reimburse the client.
  - **Preventive measures**
    - Verbally verifying instructions via a phone call would have informed the advisor that the request was not made by the client.
      - Make notes in your CRM/client file that you did confirm via phone call
    - Other discrepancies in the process or its documentation may indicate that a request is fraudulent, such as:
      - Changes in grammar, spelling, or format, such as dates given in DD/MM/YYYY order.
      - Obscured, grainy, or electronic appearance of the client's signature on the document.
      - Sudden and unwarranted urgency to a request.
      - Whether it makes reasonable sense for the client to be using the bank in question (i.e. geographical proximity).
    - A courtesy training to clients on maintaining security on their own machines and changing their email passwords could have prevented such a situation. [Back to Content](#)

- Case Study 2: Identity verification issues

- It was discovered through enhanced due diligence that a client's information did not match a known consumer, and that the address used was not known to be associated to that person. The advisor and supervisor were notified about this discrepancy and the account was restricted and closed prior to any funding. The advisor made attempts to contact the prospective client, which went unanswered.
- **Preventive measures**
  - Verification of ID must be done in person. Inspect the ID to assure it appears to be legitimate and that the picture on the ID matches the appearance of the client. Also, the client should only pass verification if the ID document used is unexpired and appears to be unaltered.
  - If there is any suspicion that an ID document is not legitimate or has been altered, notify Cambridge immediately and do not proceed with account opening.
  - A person asking about the specific minimum requirements of account opening may be probing to find a weakness in the process. Be cautious of these individuals and report these types of suspicious behavior.
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- **Case Study 3: Suspicious Sources of Funds**
  - An advisor is approached by a prospective client to open a new account. Account opening paperwork is completed satisfactorily and two bank checks (cashier's checks) are provided to fund the account. The principal review process finds the checks to be not-in-good-order, and the checks are returned to the client. An investigation determined that the checks were being drawn from accounts that were unrelated to the customer. It is likely that structuring and layering were attempted in this case.
  - **Preventive measures**
    - Bank checks, also known as cashier's checks, are generally not acceptable for deposit since they cannot be easily associated with the origin of funds. Asking for a personal check to fund an account can prevent further issues in the funding process.
    - Be mindful of situations where the ownership of funds is being transferred between parties at the same time they're being deposited. Understand the reason behind such transfers when they occur and be prepared to provide this explanation when asked.
    - Watch for account funding that is divided into multiple, smaller transactions for no logical business purpose, as this could be an attempt to avoid a regulatory reporting requirement. Ask for the reason why any account is funded in

this way, and clearly document the answer given. If after receiving a detailed explanation from the client you still don't understand the proper business purpose behind the client's actions, stop and escalate the situation to a Supervisor or Compliance. Do not inform the client of this escalation if there is any suspicion of wrongdoing.

## **Practice Management**

### **- Gaining intel and insight from the competition**

- Using publicly available articles to share with clients makes great material for client reviews, discussions with prospective clients, and potential social media posts. Also serves as research for answering client questions.
- Help attract and retain assets by connecting with millennial generation (either your clients or your clients' heirs) by reading the same material that they will be encountering
- Target free services, not your competitors, when linking educational materials to social media posts
- Examples:
  - Forbes, Marketwatch, Investopedia
  - [It's great to be automatically enrolled in your company's retirement plan, but it can backfire](#)
  - [4 things you must do the year you retire](#)
  - [5 Pillars Of A Sound Self-Directed Investment Plan](#)
  - [Best New Ideas in Retirement](#)
  - [3 lies people tell themselves about estate planning](#)
  - [A majority of financial advisors lack a succession plan, and clients should care](#)
    - Having a succession plan is one of the most important things you can do for your clients, family and yourself, and now CNBC is putting it out there for your clients to see as well
- [Horseshmouth](#) - Every day, receive new ideas and insights on business development, financial planning and practice management from hundreds of top experts and advisors

### **- Branch financials update as of April 30, 2019**

- Branch is on track for a 25% increase year-over-year
- CIR advisor-directed accounts are at \$850 million assets
  - CAAP accounts represent \$125 million in assets, over half of this is invested in Duncan Walsh Advisors models (we have more assets in DWA than the top two CAAP managers combined)
  - \$490 million in outside third party money managers
- \$1.5 billion in AUM from a total of 137 branch advisors
- Celebrate a successful year with us at Ignite!

### **- Join us at [Ignite!](#) September 25-27 in Aurora, CO**

- Take advantage of:

- o Business ideas
- o Financial reimbursement from Cambridge
- o Continuing Education credits
- o Networking opportunities
- o Hosted dinner with our branch

**Larry L. Qvistgaard**  
**President**  
**Duncan Advisor Resources**

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