

Scams Capitalizing on the Collapse of Silicon Valley Bank

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In March 2023, Silicon Valley Bank (SVB) was shut down by the California Department of Financial Protection and Innovation.

Reports have surfaced of an email scam that initially targeted customers of businesses that banked with SVB and has increased in volume following the bank's failure and takeover by the Federal Deposit Insurance Corporation.

In the scam, fraudsters pose as companies that previously banked with SVB and notify customers that because SVB cannot accept payments, the customer should wire future payments to a different bank. The fraudsters own the bank account that is provided in the new wire and payment instructions. The high visibility of the federal takeover makes these communications very convincing. Victims are already skittish about sending money to SVB and eager to instead send their payments to a bank that has not collapsed.

The deceptive emails include details such as account numbers and names of individuals within the company that is purportedly making the wire instruction change. However, the wire transfer instructions included in the email are fraudulent and will direct funds to an account controlled by the scammers.

Potential targets need to be vigilant, especially in the current environment, when receiving emails requesting wire transfers or changes to wire instructions. If you receive an email requesting a wire transfer or a change to wire instructions (involving SVB or any other financial institution), always verify the request by contacting the party requesting the change directly using a phone number obtained from a reliable source, such as the company's official website or previous correspondence. Do NOT rely on telephone numbers or email addresses provided in the email that contains the wire change instructions.