

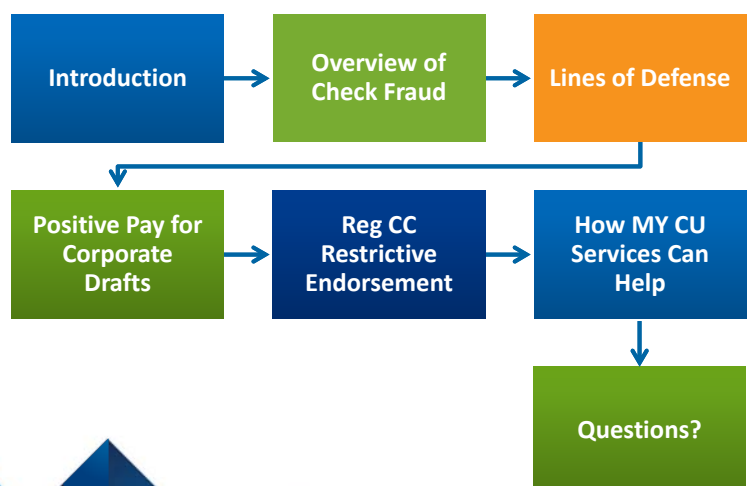


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Combatting Check Fraud

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VP, Payment Services
MY CU Services

Conversation Topics



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graph TD; A[Introduction] --> B[Overview of Check Fraud]; B --> C[Lines of Defense]; C --> D[Positive Pay for Corporate Drafts]; D --> E[Reg CC Restrictive Endorsement]; E --> F[How MY CU Services Can Help]; F --> G[Questions?];
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Overview of Check Fraud

Current State of Check Fraud

- Check volume decline
- Check fraud persists
- Why check fraud?
- Types of check fraud
- Target age group



Lines of Defense

Education – Consumers and Staff

- www.mycreditunion.gov/fraud
- <https://www.occ.gov/news-issuances/consumer-advisories/2007/consumer-advisory-2007-1.html>
- <https://www.usps.com/shop/money-orders.htm>
- Fraud.org
- Elements of a fake check



Details in this example are fictitious

ELEMENTS OF A FAKE CHECK

Is the company name or address misspelled?

Does the check number match the check number included in the line at the bottom of the check?

Is the check stock flimsy or suspicious?



Does the check have the correct routing number at the bottom for the bank it is supposedly drawn on? Consumers can google routing numbers now.

Is the check missing the special ink for the MICR code at the bottom?

If the check is for lottery winnings, why is it written from a company and not the state lottery commission?

Lines of Defense

Reporting

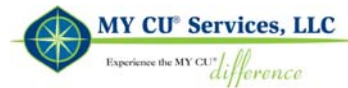
- www.ftccomplaintassistant.gov
- <http://www.naag.org/naag/attorneys-general/whos-my-ag.php>
- <https://www.bbb.org/en/us/article/scams/14042-bbb-tip-fake-check-scams>



Lines of Defense

Fraud Monitoring and Detection Services

- Early Warning
- Advanced Fraud Solutions
- Verafin
- Other



Lines of Defense

Fraud Detection at the Point of Capture

- Branch/Teller
- ATM/ITM
- Mobile
- Merchant



Deposit Info Scan OK Accept Deposit Research Check Fraud Cancel Deposit Scan Other Exit Cancel Receipt

Front side Item 2 of 3

IMAGEPOINT Teller Capture powered by Alogent

Michael Mannington
Kayla Mannington
3020 Amelia Court
Sterling, CT 02891
203-681-8902

JPMorgan Chase Bank, N.A.
25 3/440

4001

DATE 2/6/2018

PAY TO THE ORDER OF James Blackburn \$ 25.00

Twenty five dollars and 0/100 cents DOLLARS

NON-NEGOTIABLE

MEMO

Michael Mannington AUTHORIZED SIGNATURE

Security Features

Check Amount: 25.00

Fraud Accept Reject Hold

Fraud Alert
Kiting (5) Suggested Hold Period = 7 days

Accept Hold
Reject View

Teller ID: Error Items: 2 Deposit Total: \$0.00 Deposit Items: n/a Scan Total: \$175.00 Scan Items: 3 Diff: -\$175.00

Positive Pay for Corporate Drafts

- Check issue files
- Paid matches
- Exception handling in real-time

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Reg CC Restrictive Endorsement for Mobile Deposit

- New rule shifting liability effective July 1, 2018
- Endorsement requirements
- Best practices
- Challenges with implementation and enforcement



How MY CU Services Can Help

- Batch fraud detection
- Real-time fraud detection on Alogent Bluepoint Hub
- Positive Pay for corporate share drafts
- Restrictive endorsement for mobile deposits





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Thank you!

Questions?

The slide features a decorative background with geometric shapes in shades of green, blue, and orange. A horizontal bar with segments of green, blue, and orange is positioned below the logo. A large green brushstroke underline is located below the 'Thank you!' text.



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Contact Us

sales@mycuservices.com

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