



# 38<sup>th</sup> Annual FBA Consumer Compliance Conference

## Check Fraud: Latest Tactics & Detection Strategies


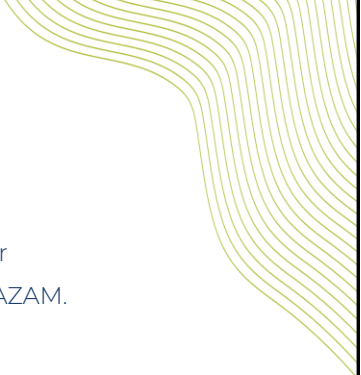
Michael J. Burke, Senior Robbery and Crisis Management

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This presentation is based on industry and financial information available at the time of its creation; this information may be subject to change at any time.



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- Fraudulent Check Red Flags
- Existing Accounts
  - Postal Money Orders
  - US Treasury Checks
  - Client Stolen Checks (Walker)
  - Client Impersonation
- New Accounts
- BEC
- ATM Jackpotting
- Where Do We Go From Here?

What  
we'll  
learn  
today.

## Postal Money Orders

### Check the Status of a Money Order

You can check the status of a money order you've purchased from the U.S. Postal Service at any time by visiting the [Money Orders Application](#).

Make sure you have the following information for the postal money order you want to check:

- Serial number
- Post Office number
- Dollar amount



#### Check Money Order Status

Find out the status of a money order that was purchased from the United States Postal Service®.

#### Start Your Search

Serial Number

Post Office Number

Dollar Amount



# U.S. Treasury Check



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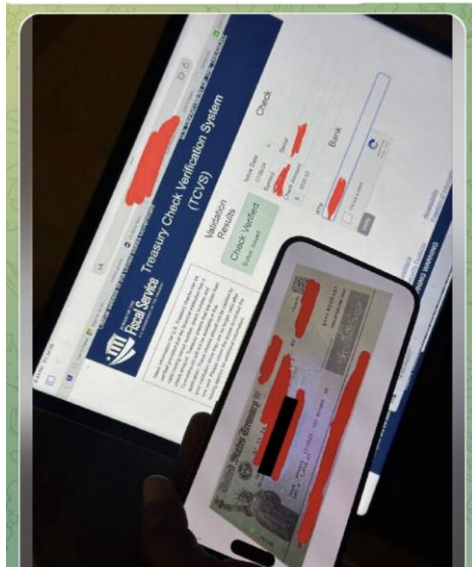
5

# U.S. Treasury Check



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Source: Telegram



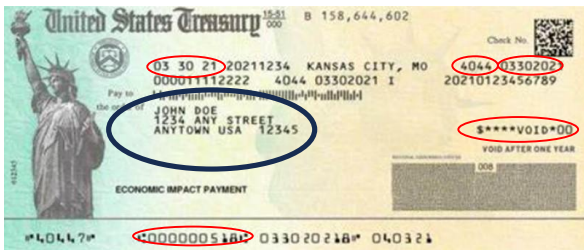
\$8500 Stimmy  
8%

2 07:43 PM

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<https://tcvs.fiscal.treasury.gov/>



Official website of the United States Government U.S. DEPARTMENT OF THE TREASURY

**Treasury Check Verification System (TCVS)**

Issue information for U.S. Treasury checks can be verified provided that the financial institution has a valid routing transit number, check number and check amount. Treasury checks that are older than 12 months will not be available in this application. These checks should not be cashed to your institution since they are no longer valid after one year. Please refer the caller to contact the issuing agency for additional information.

Please note not all U.S. Treasury checks will contain the unique secure seal. Therefore, lack of this seal does not imply the check is a counterfeit.

If no issue record is in the Treasury Check Verification System (TCVS), it does not mean the check is invalid. Please note TCVS was created as a tool to assist in fraud detection, you still need to verify the security features of a U.S. Treasury Check. Also, while not common, a US Treasury Check can be hand signed as opposed to signed by an automated process.

This website is available for use 7 days a week from 8:00am to 12:00am ET.

**Validation Results**

**Check**

Issue Date: mm/dd/yyyy  
 Symbol: mm  
 Serial: mmmmmm  
 Check Amount: \$ 0.00

**Bank**

RTN: mmmmmm

I'm not a robot

Contact Us Terms & Conditions Privacy Policy Treasury Check Security Features Freedom of Information Act

**WARNING WARNING WARNING**

You have accessed a United States Government computer. Unauthorized use of this computer by a violation of Federal law and may subject you to civil and criminal penalties. This computer and the automated systems, which run on it, are monitored. Individuals are not guaranteed privacy while using government computers and should, therefore, not expect it. Communications made using this system may be disclosed as allowed by Federal law.

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Source: United States Secret Service

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## U.S. Treasury Check (NEW IN NOVEMBER 2024)

- New payee name validation ability for Treasury Check Verification System
- Payee name access will only be available through the API

- Application Program Interface

- [www.frbservices.org/news/communications/110724-new-payee-name-validation-ability](https://www.frbservices.org/news/communications/110724-new-payee-name-validation-ability)

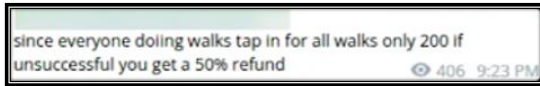
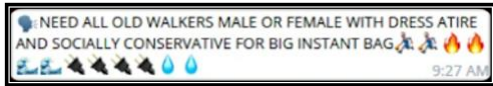
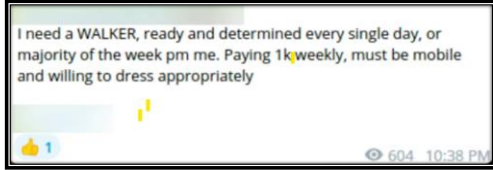


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# Stolen Check - Walker



You are the issuing FI

Name and Amount Washed or Cooked

Amount often an "anomaly"

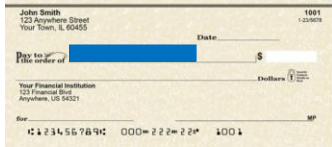
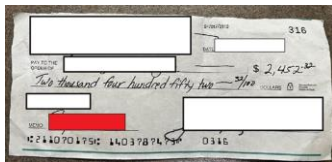
Real ID of Walker (usually not local)



Source: Telegram/Instagram

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# Walker (Real ID)



Washed Stolen Check

Repair, Construction, Car Sale

Name of Walker



Source: SHAZAM

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## Air Pods and/or Cellular Phones

### ○ Air Pods

- May ask to repeat any questions and “lean –in” to make sure listener can hear



### ○ Cellular Phones

- Is the phone in the person client's hand or shirt pocket on to hear the conversation



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## WALKERS



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## Real Check / Fake ID

- o Customer PII is correct
- o Photo on ID of fraudster
- o KYC
- o Image of Client on Teller System



Source: United States Secret Service

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## Passport Card Red Flags

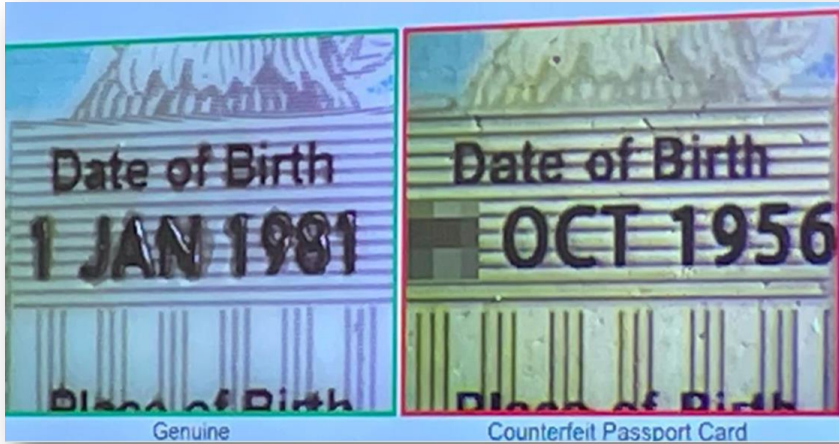
- o Blurred
- o Date of Birth, Serial Number and other data fields are printed rather than laser etched / raised



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## Passport Card Red Flags



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## New Account Openings





## New Retail Account Openings

### Red Flags:

- Minimum Amount
- Request instant issue debit card
- Same day (after hours) ATM check deposits into new account
- **CHECK EMPLOYMENT**



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## New Business Account Openings



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# Business Email Compromise



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## Vender / Client BEC/EAC



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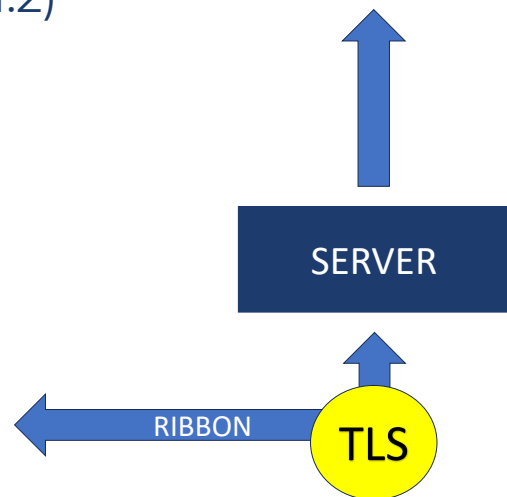
# ATM Top Hat Attacks



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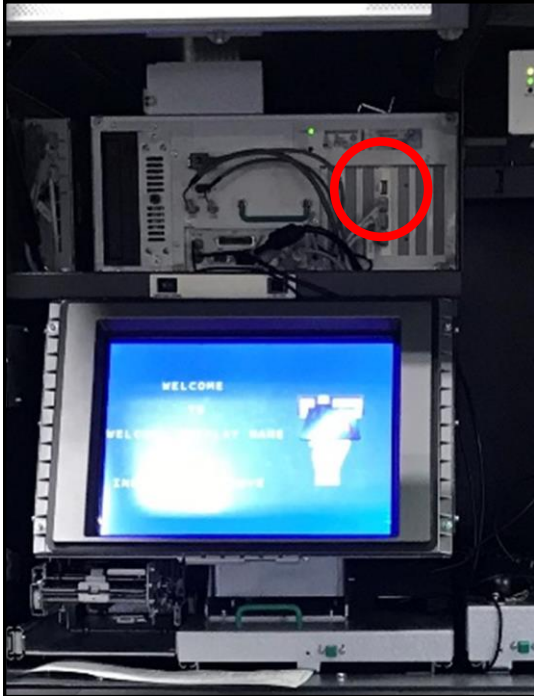
## ATM Top Hat Attacks (TLS 1.2)

- o Transport Layer Security
  - Encryption Protocol



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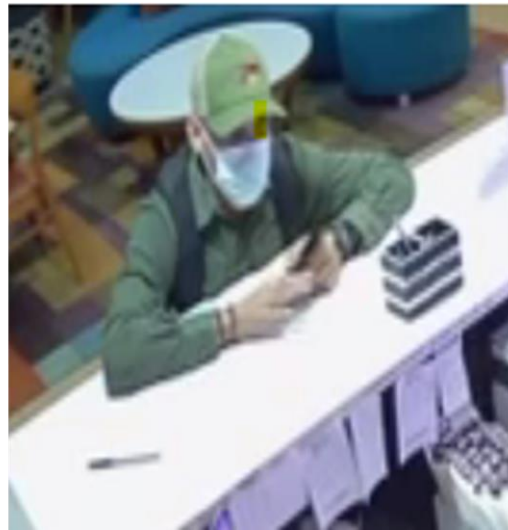
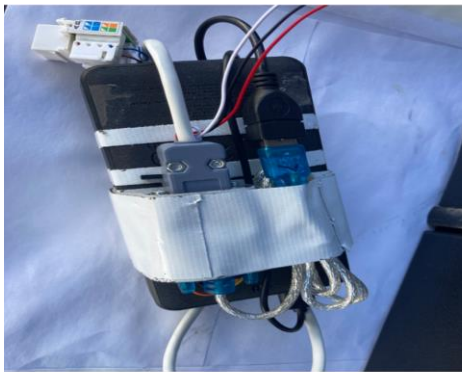


## Top Hat Attacks

- o Technician Key
- o Processor / Computer Access
- o Open Port Access

Source: SHAZAM ATM lab  
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## Top Hat Attacks



**SHAZAM**  
Source: CrimeDex

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## Top Hat Attacks (Thanksgiving 2024)



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Source: Lincoln PD

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## Top Hat Attacks



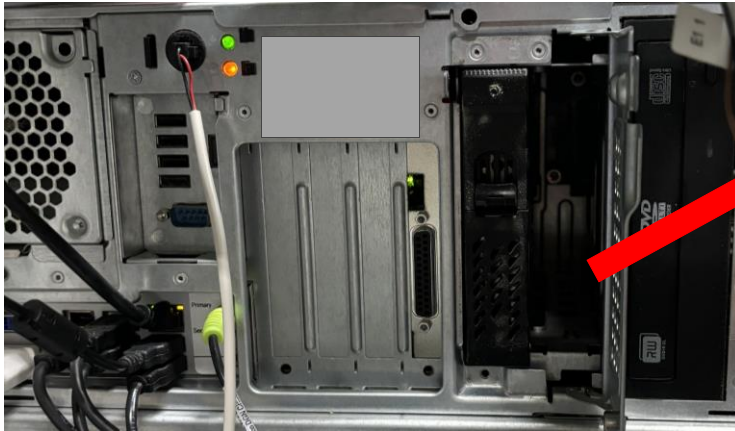
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Source: SHAZAM ATM lab

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## Top Hat Attacks



Source: SHAZAM ATM lab  
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# Where Do We Go From Here?



## Considerations

o FedDetect – [www.frbervices.org/financial-services/check/feddetect](http://www.frbervices.org/financial-services/check/feddetect)

o CrimeDex – [www.crimedex.com](http://www.crimedex.com)



o International Association of Financial Crime Investigators – [www.iafci.org](http://www.iafci.org)



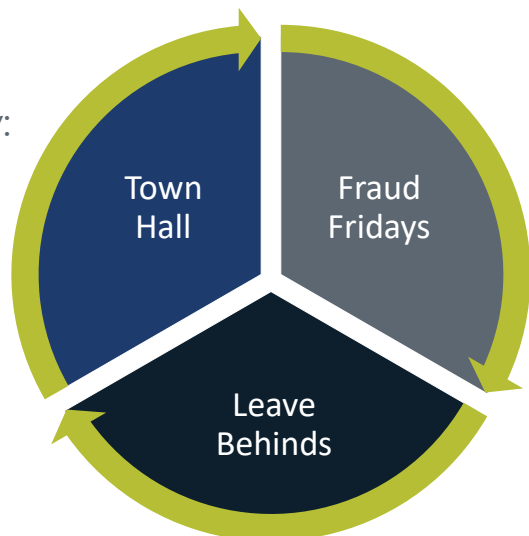
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## Education

o Townhall Meeting followed by:

- Fraud Fridays
- Leave Behinds




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# Leave Behinds

o [www.bulkorder.ftc.gov](http://www.bulkorder.ftc.gov)



Phone Scams

Privacy & Identity, Scams

## Phone Scams

Language: English  
Format: Booklet

How to recognize a scammer who calls on the phone

Quantity

25

Add to cart



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# Leave Behinds

o Questions for Consideration

Fraud/Scam Questions for Consideration (Wires, Withdrawals, Cashier' Checks & Deposits)		
Questions: As your financial institution we have identified techniques and tactics used by fraudsters to steal your money. If you answer "yes" to any of the following questions, please consider <b>not</b> following through with the transaction as it is considered high risk and potentially a scam.	Response	
	Yes	No
Have you been told to lie or give a bogus reason to staff about your transaction? If yes, <b>STOP NOW!</b> No legitimate individual/company/entity will ever tell you to lie to your financial institution.		
Have you been told that staff are involved in fraud so you should not tell them why you are making the transaction?		
Have you been told that you cannot discuss the transaction due to a court order?		
Have you allowed anyone to connect to your computer or mobile device for any reason including a potential "virus" on your computer or mobile device?		
Have you been asked to withdrawal cash or send a wire to assist in a criminal investigation?		
Have you given your online banking information to anyone so they could deposit money or remote deposit a check into your account?		
Have you been asked to send money to a new acquaintance or someone you have established a personal relationship with, yet you have never met face-to-face?		
Have you been asked to withdrawal money and convert it to crypto currency (bitcoin) for any reason?		
Have you sold something, and the buyer has sent you a check or wire for more than the selling price and has requested the excess funds be returned?		
Have you been requested to withdrawal money to purchase gift cards for any reason? (Gift Cards are for Gifts and not for payments)		
Have you been told to ship cash inside a magazine or book?		
Have you been notified that you have inherited a sum of money, won a lottery or sweepstakes and need to wire, withdrawal cash or purchase a Cashier' Check to pay fees or taxes?		
Have you received an urgent call from a family member (grandchild) requesting bail money for an arrest and have not spoken to other family members about it?		
Have you received communication (text or social media message) from a friend requesting financial assistance but have not spoken with them on the phone or in person?		
Has the IRS or any other government agency, including law enforcement, call and demand payment for unpaid taxes or to avoid being arrested?		
Have you received an unsolicited request for payment on a pass due bill that you didn't know was owed or unpaid?		
Have you been asked to make this transaction relating to a secret shopper, work-from-home offer or online loan application?		
Have you been threatened in anyway to make this transaction?		
Has anyone created a sense of urgency and has instructed you that this transaction <b>HAS</b> to be done today?		



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# Leave Behinds

## oTrusted Contact Form

**Is your financial firm asking you for a TRUSTED CONTACT?**

There are a number of very important reasons to give your financial firm the name of someone you trust, and FINRA, NASAA and the SEC urge you to consider this request.

**WHAT IS IT?**  
A "trusted contact" is a person you authorize your financial firm to contact in limited circumstances.

**WHO SHOULD HAVE ONE?**  
We suggest a trusted contact for anyone who has an investment account.

**How would having a trusted contact help me?**

Maybe your investment professional needs to get in touch with you but can't when:

- You are traveling
- There is a natural disaster
- There is a concern about fraud
- You are having a health issue

**Your trusted contact CANNOT make trades in your account**

**Your trusted contact CANNOT make decisions about your account**

**Being a trusted contact DOES NOT make them a power of attorney, legal guardian, trustee or executor**

A trusted contact is someone who can help your financial firm help you, if needed. Add one today!  
[finra.org/trustedcontact](http://finra.org/trustedcontact)



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Questions?

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Michael J. Burke  
Senior Robbery and  
Crisis Management Consultant

[mburke@shazam.net](mailto:mburke@shazam.net)

Cell: 515-570-4864

shazam.net

# TRUSTED CONTACT FORM

I       (account holder)      <sup>1</sup> designate the individual(s) listed below to be my Trusted Contact(s) and understand that in doing so I am authorizing representatives from (financial institution) and its affiliates to share any and/or all financial information, including non-public personal information<sup>2</sup>, relating to my account(s) with those designated Trusted Contact(s) in the sole discretion of the (financial institution).<sup>3</sup>

I understand that financial information that may be shared by representatives from (financial institution) and its affiliates with my designated Trusted Contact(s) includes, but is not limited to, any/all information related to my financial account(s), securities, insurance, bank or firm-related products and services, including suspicious activity and/or relevant conversations related to said accounts, products and services and/or information that the account holder has previously provided to (financial institution).

I understand that a representative from (financial institution) may notify my designated Trusted Contact(s) and disclose information about my account(s) to address issues relating to possible financial exploitation, to confirm the specifics of my contact information, to inquire regarding my health status and/or the identity of a legal guardian or conservator, executor, trustee or power of attorney, and/or if they have questions or concerns regarding my whereabouts.

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<sup>1</sup> For any and/or all joint accounts, in order to be effective this Trusted Contact form must be executed by all account holders.

<sup>2</sup> "Non-public personal information" includes, but is not limited to, personally identifiable financial information provided by a customer or otherwise resulting from a transaction where a financial product or service is being provided to the customer/client. Examples include, but are not limited to, the following: account balance(s), ACH number, bank account number(s), credit card information, date of birth, location of birth, driver's license information, income history, payment history, social security number, and tax return information.

<sup>3</sup> See [FINRA Rules 2165 & 4512](#). For purposes of designating a Trusted Contact, I am opting out of privacy provisions pursuant to the Gramm-Leach-Bliley Act.

I understand that representatives from (financial institution) may, in their discretion, communicate with my Trusted Contact(s) in order to confirm that they have been notified about their designation. Unless otherwise specified in writing, the most current designated Trusted Contact(s) will be deemed to supercede any previous such authorization. I may withdraw or change this designation at any time, as long as (financial institution) is notified in writing.

I acknowledge and understand that there is no requirement that (financial institution) notify my designated Trusted Contact(s) and, by signing below, I agree to indemnify and hold (financial institution) harmless if they act, or fail to act, to contact him/her, based upon their discretion and best judgement.

\_\_\_\_\_   
*Customer Name*

\_\_\_\_\_   
*Customer Signature*

\_\_\_\_\_   
*Date*

Trusted Contacts	Trusted Contact #1	Trusted Contact #2
First Name, Last Name		
Relationship to Account Holder		
Address		
Home Address Line 1		
Home Address Line 2		
Business Name		
Business Address Line 1		
Business Address Line 2		
Email Address		
Phone (Personal)		
Phone (Business)		

Account numbers include, but are not limited to: \_\_\_\_\_

In signing this form, I authorize (financial institution) to notify and share information with my designated Trusted Contact(s) with respect to any and all existing and new accounts held at (financial institution) and its affiliates, unless specified below.

Specify limitations/exclusions with respect to designations/account(s) here:

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Do you wish to have your designated Trusted Contact(s) serve as an EverSafe Trusted Advocate(s) and receive alerts with respect to erratic activity on your account(s)?

Yes     No

Link to [www.eversafe.com/trusted-advocates](http://www.eversafe.com/trusted-advocates)

Please send me more information about EverSafe.

# Is your financial firm asking you for a **TRUSTED CONTACT?**

There are a number of very important reasons to give your financial firm the name of someone you trust, and FINRA, NASAA and the SEC urge you to consider the request.



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You are traveling



There is a natural disaster



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You are having a health issue



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**A trusted contact is someone who can help your financial firm help you, if needed. Add one today!**

[finra.org/trustedcontact](http://finra.org/trustedcontact)

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	Yes	No
Have you been told to lie or give a bogus reason to staff about your transaction? If yes, <b>STOP NOW!</b> No legitimate individual/company/entity will ever tell you to lie to your financial institution.		
Have you been told that staff are involved in fraud so you should not tell them why you are making the transaction?		
Have you been told that you cannot discuss the transaction due to a court order?		
Have you allowed anyone to connect to your computer or mobile device for any reason including a potential "virus" on your computer or mobile device?		
Have you been asked to withdrawal cash or send a wire to assist in a criminal investigation?		
Have you given your online banking information to anyone so they could deposit money or remote deposit a check into your account?		
Have you been asked to send money to a new acquaintance or someone you have established a personal relationship with, yet you have never met face-to-face?		
Have you been asked to withdrawal money and convert it to crypto currency (bitcoin) for any reason?		
Have you sold something, and the buyer has sent you a check or wire for more than the selling price and has requested the excess funds be returned?		
Have you been requested to withdrawal money to purchase gift cards for any reason? (Gift Cards are for Gifts and not for payment)		
Have you been told to ship cash inside a magazine or book?		
Have you been notified that you have inherited a sum of money, won a lottery or sweepstakes and need to wire, withdrawal cash or purchase a Cashier' Check to pay fees or taxes?		
Have you received an urgent call from a family member (grandchild) requesting bail money for an arrest and have not spoken to other family members about it?		
Have you received communication (text or social media message) from a friend requesting financial assistance but have not spoken with them on the phone or in person?		
Has the IRS or any other government agency, including law enforcement, call and demand payment for unpaid taxes or to avoid being arrested?		
Have you received an unsolicited request for payment on a pass due bill that you didn't know was owed or unpaid?		
Have you been asked to make this transaction relating to a secret shopper, work-from-home offer or online loan application?		
Have you been threatened in anyway to make this transaction?		
Has anyone created a sense of urgency and has instructed you that this transaction <b>HAS</b> to be done today?		