



Building Success. Together.

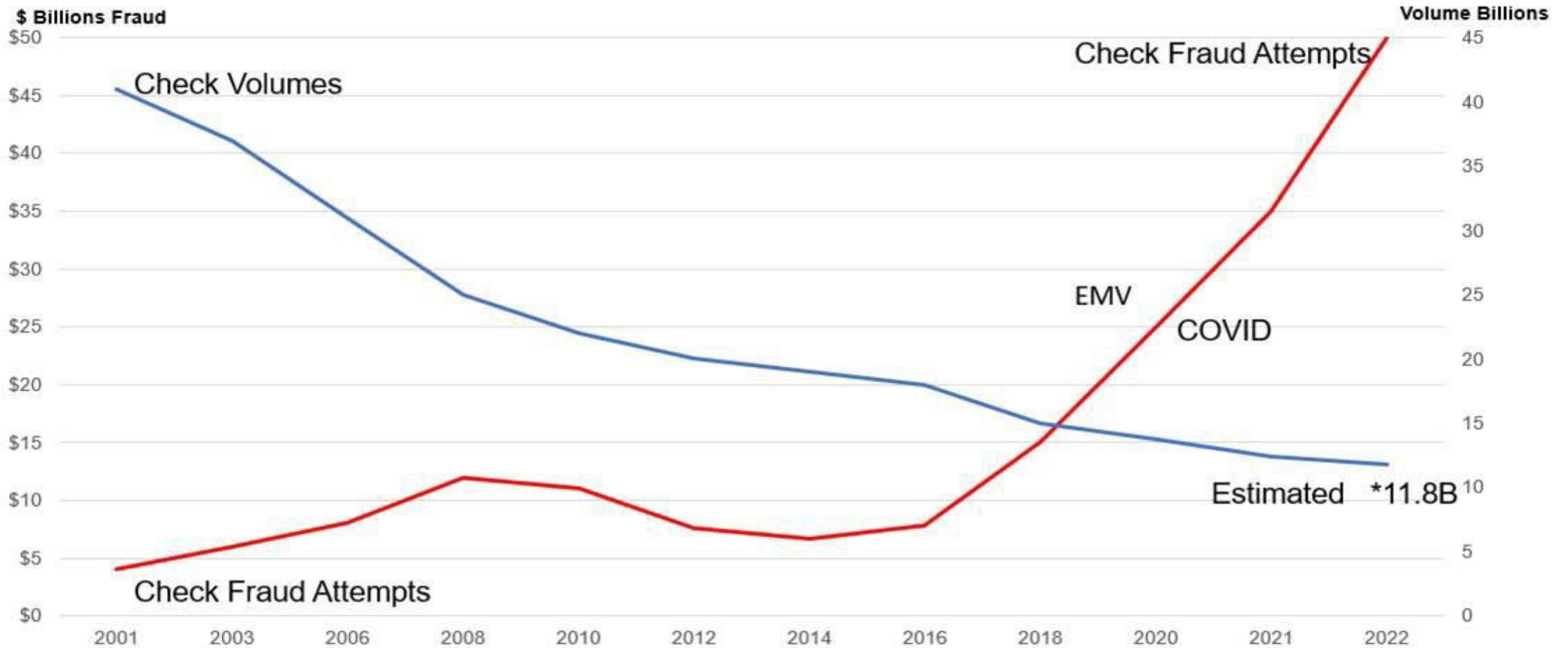
Check Fraud

What is Old is New Again

VBA & TBA

February 21, 2023

Estimated Fraud Attempts

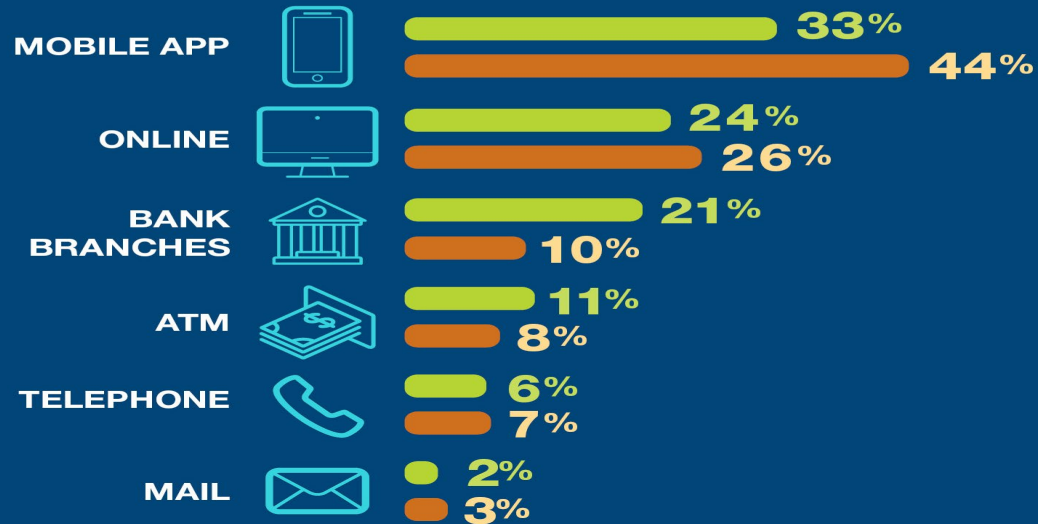


Shift to Digital Defenses

How Americans Bank: Before and During COVID-19

Before pandemic Since pandemic

Since the pandemic arrived in the U.S., mobile and online use increased, branch visits declined.

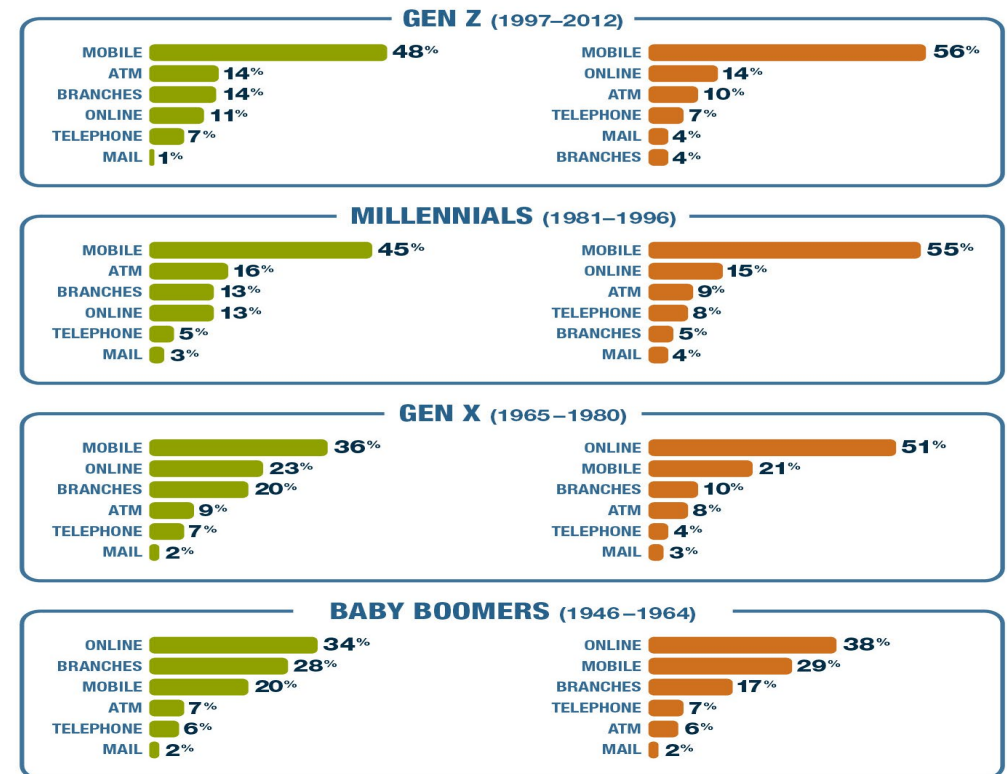


Different Generations Bank Differently



BEFORE PANDEMIC

SINCE PANDEMIC



ABA Sponsored Morning consult poll Oct 2021

Took Eye off the Basics – Check Fraud

Problem

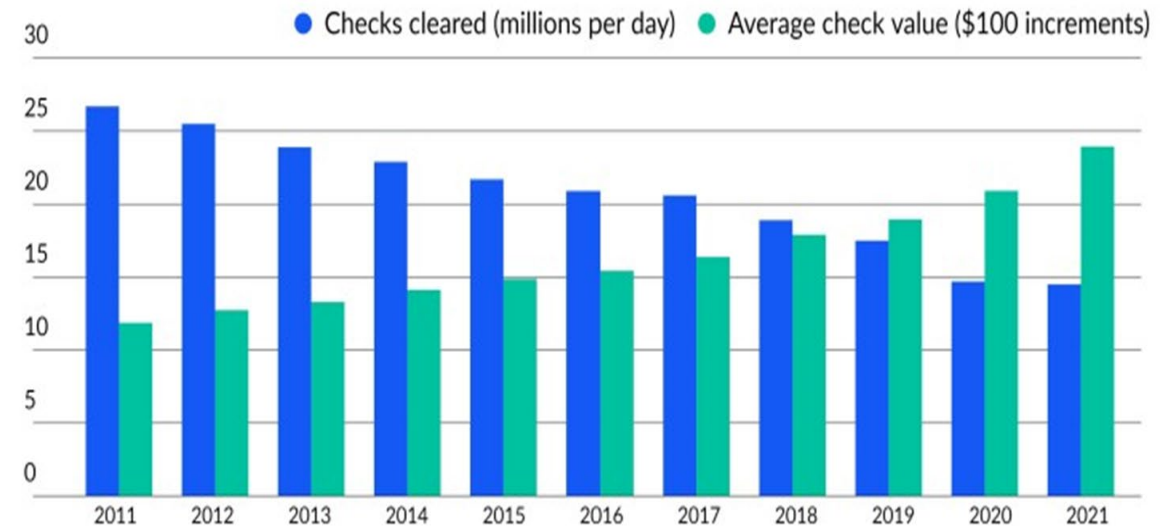
- Per Catalyst Corporate, who represents 1,400 Federal Credit Unions, Check fraud accounted for **66% of payment fraud**, followed by 39% for wire transfers in 2021

Challenges

- Creating backlogs in check warranty claims
- Availability of funds (Rec CC & Check 21)
- Average check value doubled last decade

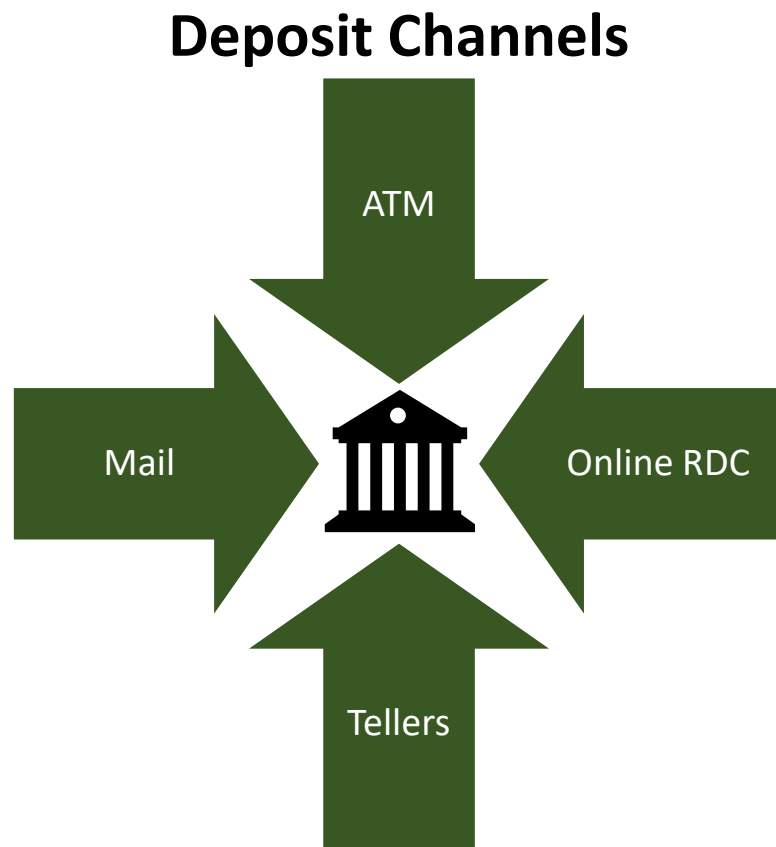
FinCEN SAR Statistics

Suspicious Activity Category	Suspicious Activity Type	2014	2020	2021
Fraud	ACH	24,904	143,269	176,911
	Check	96,786	216,963	249,802
	Credit/Debit card	75,496	132,925	140,327



Source: Federal Reserve

Numerous, Unique Deposit Channels Present Detection Challenges & Delays



Types / Trends

1. Stolen Checks
 - “Washed”, altered or forged
2. Counterfeit
 - Difficult to detect (All Channels)
3. Remote Deposit Capture
 - Anonymity & Easy
4. ATM Deposit
 - No Real Time Interaction
 - Less Monitoring

What's Happening on the Street



UNITED STATES POSTAL
INSPECTION SERVICE

ABOUTCAREERSTIPS & PREVENTIONNEWSREPORT

Scam Article

Check Washing

Last updated 05.01.2019National

Have you ever sent a check that was cashed, but the recipient said it never arrived? You may be the victim of check washing. Check washing scams involve changing the payee names and often the dollar amounts on checks and fraudulently depositing them. Occasionally, these checks are stolen from mailboxes and washed in chemicals to remove the ink. Some scammers will even use copiers or scanners to print fake copies of a check. In fact, Postal Inspectors recover more than \$1 billion in counterfeit checks and money orders every year, but you can take steps to protect yourself.

Check Washing (Identity Theft)

A gang of scammers started an illegal check washing scam to bankroll their drug habit. Watch to learn more about check washing.

Check Washing (Identity Theft)
Watch laterShare

Postal Assaults

‘We need more protection’: Mail carriers sound alarm over surge in robberies

Between 2018 and 2021, robberies of letter carriers more than tripled, and robberies involving a gun more than quadrupled.

CBS4 confirms an uptick in violence against mail carriers

A public record request through the US Postal Inspection Service showed 7,290 reports of violent criminal activity involving mail carriers in the fiscal year 2020. The USPS said the statistics included two homicides of on-duty USPS employees, at least 140 robberies, 202 burglaries, and 631 credible assaults and threats.

Postal Inspection Service responding to increase in violence against mail carriers

In Fiscal Year 2020, Inspectors responded to 7,190 reports of violent crime activity nationwide, ranging from threats to assaults, burglaries, robberies, suicides and homicides. Included in this total were:



Chart: Jacob Burbrink • Source: U.S. Postal Inspection Service • Created with [Datawrapper](#)

Another public record showed 261 robberies against mail carriers in 2021. CBS4 counted 13 wanted posters the USPS has issued so far in 2022, each for assault against a carrier. One wanted poster was issued in Indianapolis after someone robbed a mail carrier at gunpoint on April 1st. It happened around 7:20 pm along South Reisner Street on the southwest side.

“This is not a one-off,” Paul Toms, the president of the National Association of Letter Carriers Branch 39, said in an interview. “In the last four or five months or so, there have been four other carriers in the Indianapolis area that have been robbed.”

Toms said the criminals were after the carriers’ arrow keys.

“This is the worst it’s ever been,” he said.



Mail carriers are being assaulted at an alarming rate as crime rates rise

August 11, 2022

The problem isn't just exclusive to Florida, either. Thousands of postal carriers have been assaulted or robbed during the past several years, according to U.S. Postal Inspection Service data. Last month, six mail carriers in the D.C. and Maryland area were targeted in a 24-hour span.

Dark Marketplace

Anonymous interaction using TOR

- Phishing kits
- Ransomware as service
- “Credit Card number sells for \$2 on the black market while a health record goes for \$20 or more...” -Peter B. Nichol, PMP, CSSMBB
- “Social Security Number sells for \$1.00 and a drivers license \$20...” -FiVerity
- **Cashout/Mule Services**
- **Counterfeit & Stolen Checks**
 - Customized “washing” service

Статистика Top 5

Наиболее популярные разделы

1Раздача халлыы - [en] Public Freebie

2Sell CC & CVV

3UNVERIFIED ADVERTISEMENT

4Dumps

5НЕПРОВЕРЕННАЯ РЕКЛАМА

Последние сообщения

26,196Buy stuff UK

24,056Iphone unlock helps

15,745Pay on my link with vbv, get BTC...

13,752Как хамеры и кардеры а также уважаемый...

13,607Куплю аккаунт люкссонс

Активные пользователи

1JokerSlash

2vn5socks.net

3shopsocks5.com

4mak

5WWW

2,184:8sokol eshelon ▶ 22-08, 18:28

100:3HGWELLS ▶ 22-08, 18:23

73:3HGWELLS ▶ 22-08, 18:21

195:3sokol eshelon ▶ 22-08, 18:18

267:5Suter ▶ 22-08, 18:17

196:3pincod ▶ 22-08, 18:15

4,572:139Static ▶ 22-08, 17:58

78:2ARMY31 ▶ 22-08, 17:57

14,434:114Fippamafia ▶ 22-08, 17:53

2,399:13Z@rik ▶ 22-08, 17:14

174:3Groundlv ▶ 22-08, 17:04

Online Carding

UNVERIFIED ADVERTISEMENT

UNVERIFIED ADVERTISEMENT

Новости мирового кардинга

Продажа и покупка карт. Приватная

UNVERIFIED ADVERTISEMENT

Раздача халлыы - [en] Public Freebie

Раздача халлыы - [en] Public Freebie

Sell CC & CVV

Безопасность

UNVERIFIED ADVERTISEMENT

Сервисы форума - [en] Verified services

Forum

★Sell CC & CVV (22 Viewing)
Sell CC's & CVV only.

★Dumps (15 Viewing)
Selling and cashout dumps only.

★Enroll, Accounts, Shops, SSN services (3 Viewing)
Enroll (COBs, fullz). Sell & Buy Accounts: Banks, PP, MB and more. Search SSN, DOB, CR, etc..

★CashOut Services & Drops for Stuff
ATM. Any cashout. Exchange, purchase, electronic currency. Drops for stuff.

★Plastic & Documents
Any ID, Scans, Holograms, Skimmers, Labels for sell.

★Hosting, Spam, DDoS, Call Services
Hosting, Servers, Spam, DDoS, Adult and Call Services.

★Security Services
VPN, Proxy/Socks and other related services.

★Avia tickets & Hotels booking
Avia and hotels booking. Cars reservation. Travel deals.

★Other Services (4 Viewing)
All other carding services.

★UNVERIFIED ADVERTISEMENT (12 Viewing)
All unverified advertisement & free trades area.

Last Post

Pro-Cc.cc - THE ONLY PROVIDER OF CC FULL...
by Fippamafia
Today 17:53

Russianmarket - DUMPS + CVV + RDP + PAYPAL + ...
by lamrel2
Today 15:00

[Online Shop] Продажа Банк акков 24/7 - ...
by Bigslime1m
Yesterday 22:24

[MUSD] Exchange/Обменник CRYPTOCHECK, WMZ,...
by Director
Today 10:06

Отрисовка от Serggik00&Ko / Drawing service...
by btcconvertbot
20-08-2019 13:47

All you need for SPAM - SMTP on PowerMTA [...]
by snowmaniac
23-07-2019 17:50

First Vpn Service - Single, Double, Triple,...
by Chosenonem
Today 03:39

Авиа, отели и депозиты от Serggik00 / Avia,...
by btcconvertbot
Yesterday 20:20

AUTOSHOP - RichLogs.is - HQ Victim...
by rbtmarty
Yesterday 11:04

Iphone unlock helps
by HGWELLS
Today 18:23

Threads

30

21

3

8

2

2

3

1

9

2,891

Posts

24,056

13,752

517

607

102

30

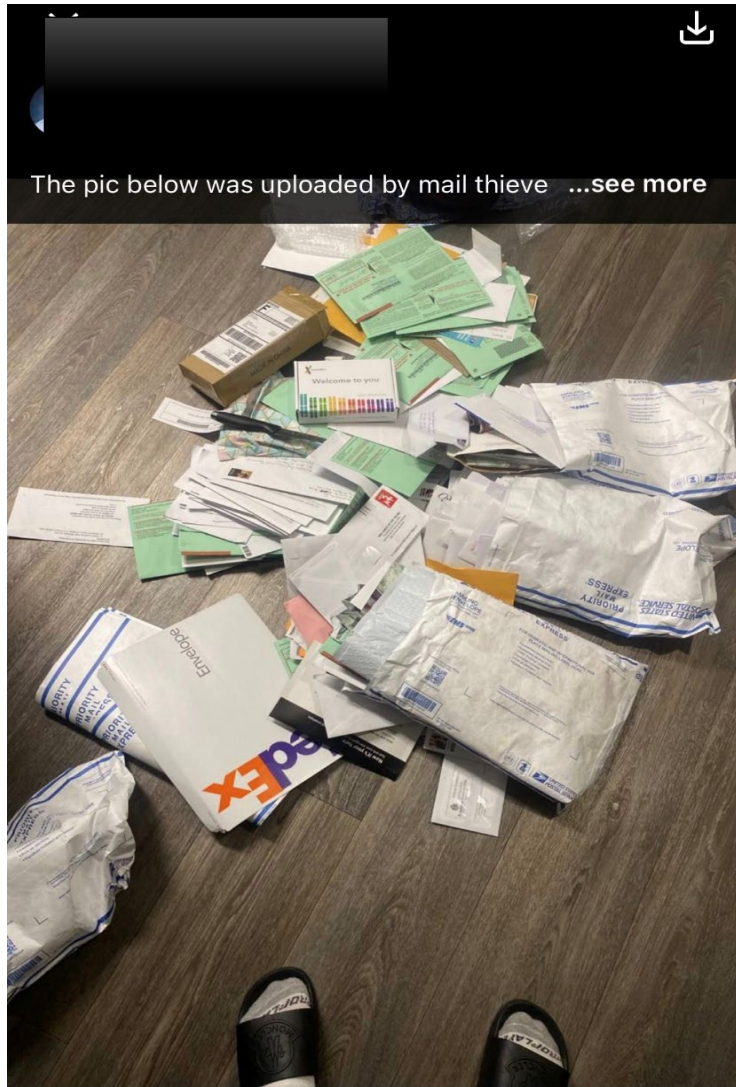
217

136

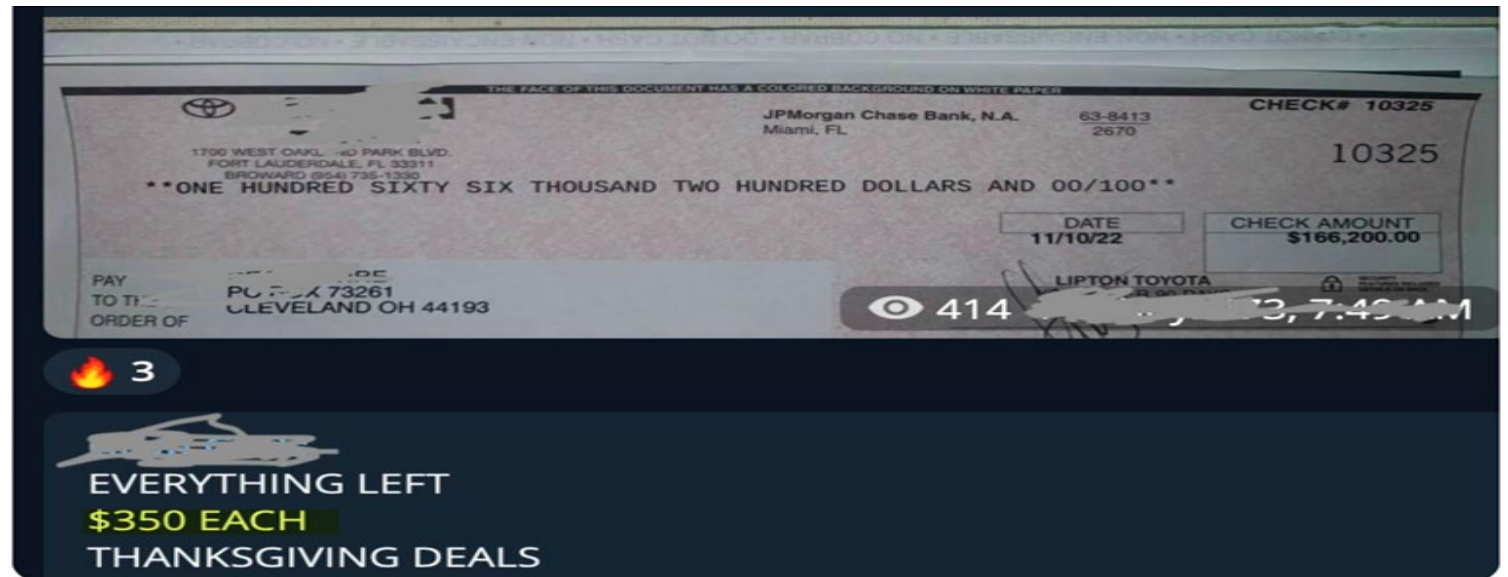
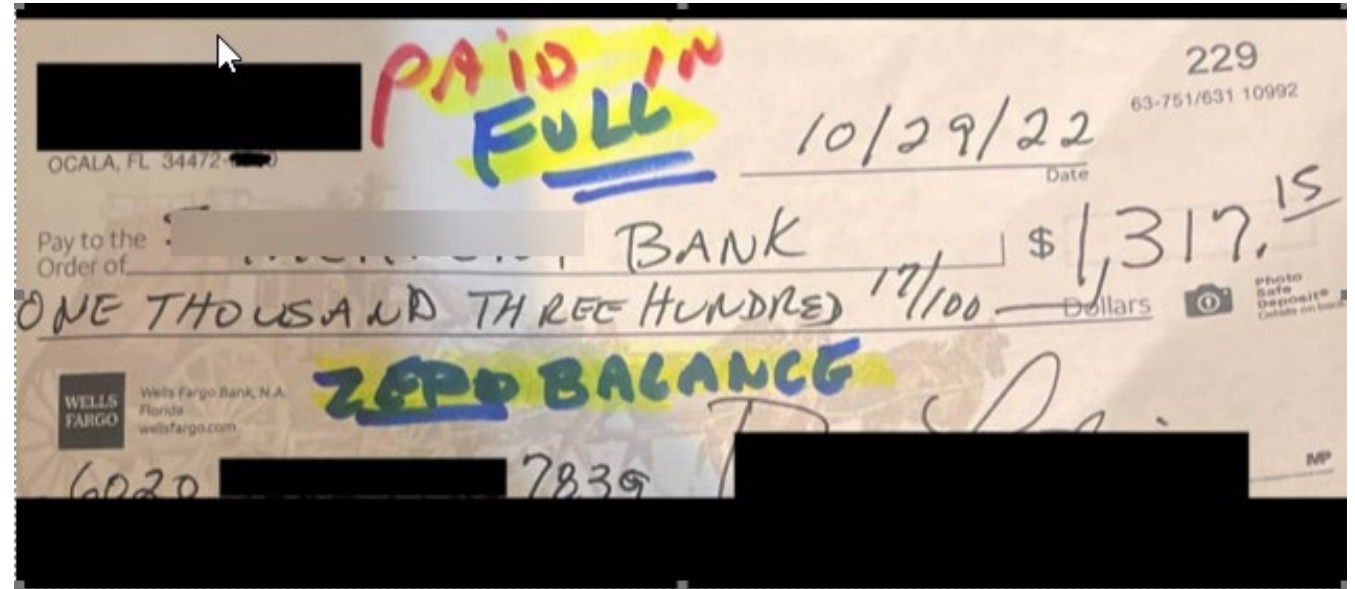
2,065

15,818

Card Shops To Check Shops



The pic below was uploaded by mail thief ...see more



Check laws re checks not properly payable

- UCC law
- Responsibilities and liability and timing for returns and warranty breach claims vary depending on the reason the check is not payable

Reasons for check not being payable

- Altered (3-407) – An unauthorized change in a check that modifies the obligation of a party (e.g., altered amount or payee)
- Counterfeit – A fraudulently created check with a forged drawer signature (1-201(41) unauthorized signature)
- Fraudulent endorsement

Paying bank responsibility to payor

- Paying bank may only pay a check that is properly payable
- Altered, counterfeit, and fraudulently endorsed checks are not properly payable.

Midnight deadline to return checks

- If check contains a *forged or unauthorized signature*
- Paying bank must meet “midnight deadline”
 - “Midnight deadline: Paying bank has until midnight of the next banking day following the banking day of receipt) to pay or *begin* the return of the check
- If fail to meet midnight deadline, paying bank liable
- No presentment or transfer warranty

Altered and fraudulently endorsed checks

Presentment and Transfer Warranties (UCC 4-207, 4-208)

- Warranties:
 - Check is not altered
 - Endorsements are not forged or unauthorized
 - The person being is paid is entitled to payment
 - Depository bank has no knowledge that the check contains a forged drawer signature
- Paying bank makes warranty breach claim directly with the depository bank, typically up to 3 years, but may vary

The Ever-Present Conflict

- Depositary bank claims counterfeit
- Paying bank claims alteration
- Who is correct?

So what action is required?

Action by Drawee Bank <i>The Midnight Deadline</i>	Action by Bank of First Deposit <i>Breach of Warranty Claim</i>
Forged Drawer Signature	Altered Items
Counterfeit Item	Forged Payee Endorsement

Every financial institution will face both situations!

Be a good citizen!

Rule 9:ECCHO Forged and Counterfeit Warranties

- Depository bank warrants to paying bank
 - Signature of the purported drawer is not forged or otherwise unauthorized
 - The related physical check is not counterfeit
- Only available for electronic checks exchanged under ECCHO Rules by ECCHO members who have agreed to use the Rule and not opted out
- Rule 9 shifts liability in some cases when there are sufficient funds in the depositor's account

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