



FRAUD

STOPPING FINANCIAL CRIME
BEFORE IT HAPPENS

WHAT IS FRAUD?

Wrongful or criminal
deception intended to result
in financial or personal gain

THE FRAUD UMBRELLA

SCAMS

MONEY
LAUNDERING

IDENTITY
THEFT

PAYMENT
FRAUD

SOPHISTICATED & SIMPLISTIC

WHY?

Fraud is easy for criminals,
difficult to be caught, and
most importantly, lucrative

FRAUD STATS



\$5.8
billion in
fraud
losses



70%
Increase
from
2020



2.8 million
victims
reported
fraud to
the FTC



\$2.3
billion in
impostor
scams



Less than
1% of
fraud
cases are
prosecuted

HOW DOES FRAUD WORK?

The most common fraud schemes prey on common human traits

**ROMANCE
&
CONNECTION**

DESPERATION

OPPORTUNITY

VICTIM

EMPATHY

FEAR

MOST COMMON SCAM

Imposter

Romance

Authority

Helper

ROMANCE SCAMS

- Frequently use dating and social media websites
- Create elaborate stories
- Relationships can last for extreme periods of time



SWINTON INSURANCE COMPANY

6 Great Marlborough Street, Manchester, M1

><PROVISION DEPOSIT CERTIFICATE><

><NO: 3839817GGS/12><

THIS CERTIFICATE IS THE ORIGINAL SPECIMEN AND VALID DOCUMENT FROM THE BANKING RISK MANAGEMENT DEPARTMENT OF SWINTON INSURANCE COMPANY. THE AGREEMENT THEREIN CONTAINED IS TRUE, CORRECT AND BINDING ON THE PARTIES. ANY ALTERATIONS MADE ON THIS SPECIMEN AFTER IT HAS BEEN LEGALLY ISSUED AND ACCEPTED RENDERS THIS DOCUMENT INVALID, NULL AND VOID. THIS DOCUMENT MUST BE PRESENTED DURING CLAIM OF DEPOSITORY.

Certificate of Deposit

DATE OF DEPOSIT..... **06/02/08**

DEPOSITORY AMOUNT..... **US\$10,800,000.00 DOLLARS ON THE DATE OF DEPOSIT**

IN WORDS..... **TEN MILLION EIGHT HUNDRED THOUSAND UNITED STATES DOLLARS**

DEPOSITOR'S..... **MR. DAVID FELLOWS**..... DEPOSITOR'S WITNESS..... **MR. EVANS BROWN (ESQ)**

DEPOSIT PIN CODE N..... **00122**..... TRANSACTION CODE..... **DW/SIC/CODE 955/JL/10**

FUND HOLDER BANK..... **CHASE BANK U.S.A**

SWINTON INSURANCE COMPANY
DATE: _____
SIGN: *[Signature]*
DIRECTOR OF OPERATION



USC=CD#SYP:XXXX7747161825XXXX

ROMANCE SCAMS

- Long distance only relationship
- Unusual story for why the scammer is where they are or their occupation
- Talking about big changes like moving, selling home, fortunes
- New banking activity like foreign wires, investments, and loan repayment

AUTHORITY SCAMS

- Law enforcement impersonation
- Legal trouble - lawsuit
- Tax trouble
- Bank employee



(214) 377-

Text Message
Yesterday 8:50 PM

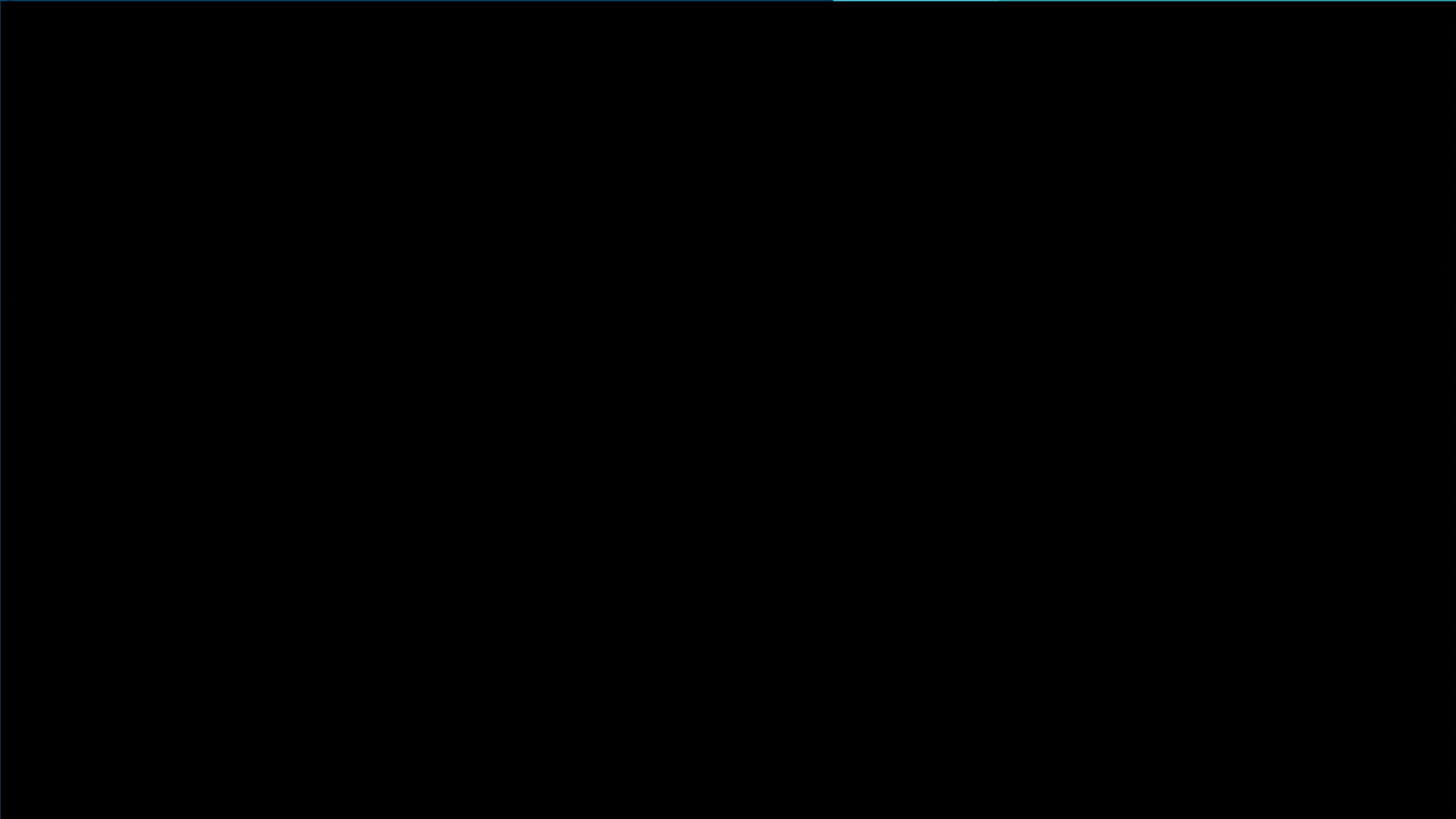
Voice Mail to Text: IRS is filing a lawsuit against you and arrest warrant has been issued under your name to get more information about this case file from federal database. Call us back immediately on our department number [214-377-](tel:214-377-) I repeat it's [214-377-](tel:214-377-). Thank you.

AUTHORITY SCAMS

- Distraught and(or) upset
- Rapidly trying to gather funds
- Large gift card purchases

TECH SUPPORT SCAMS

- Impersonate large tech company
- Gain remote access to your PC
- Initiate a fake refund
- Demand repayment – usually gift cards
- Can be very sophisticated



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AVOIDING SCAMS

- Be cynical of any unsolicited contact
- Never provide logins or passwords
- Take your time
- Utilize available resources
- Hang up!

I'VE BEEN SCAMMED

- End contact with the scammer – you will not get your money back
- Identify what has been compromised
- Notify your financial institution(s)
- Make a report to the non-emergency line
- Make a report to the FTC

SOPHISTICATED FRAUD

Much less common

Requires specialty skills and tools

Less likely to be used on individuals

Password hacking and breaches

Spoofed numbers

FROM:



UNITED STATES
POSTAL SERVICE

POSTAL MONEY ORDER

Serial Number
24138486707

Year, Month, Day

2017-07-14

Post Office

750010

U.S. Dollars and Cents

\$988.00

Amount **Nine Hundred Eighty-Eight Dollars and 00/100*******

Pay to

Clerk **04**

Address

From

Address

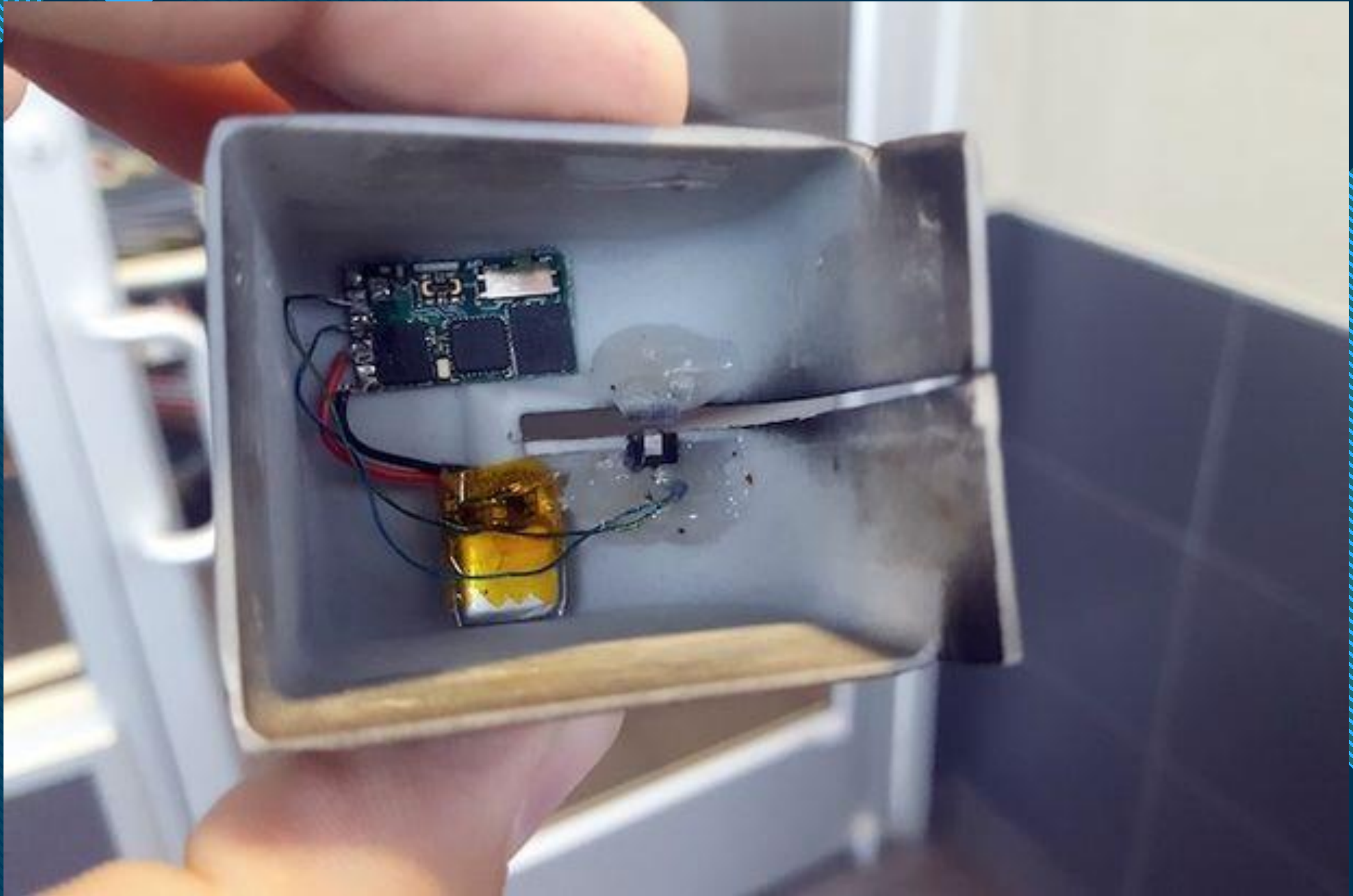
Memo

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SEE REVERSE WARNING • NEGOTIABLE ONLY IN THE U.S. AND POSSESSIONS

⑆00000800 2⑆

24138486707⑈



PAYMENT FRAUD

Cashier's checks can be easily counterfeited

Counterfeit cards are more difficult now, but still not uncommon

Important to understand fraud liability with different payment types



IDENTITY THEFT



(1) No person may knowingly obtain, possess, use, or transfer a means of identification or financial information of another person, living or dead, with the intent to commit, or to aid or abet, any crime. - RCW 9.35.020

Number of Compromises in 2021

 **1,862** compromises  **293,927,708** victims



 **189,532,878** victims



 **104,392,275** victims

 **6,993,145,763**
total records exposed



 **1,823,449,287** victims*

 **11,659,060,239**
total records exposed

*Includes non-U.S. victims



 **2,555** individuals impacted

IDENTITY THEFT

Your information is likely already compromised

Public information is easy to obtain

Monitor your credit

Read your mail

Clean up is a pain – plan for it

STOP THE FRAUD

STEPS TO TAKE

- Make sure your contact information is current with your financial institutions and state ID
- Build a routine for monitoring accounts/credit
- Use Multi-Factor Authentication (MFA)
- Be familiar with managing your accounts

STEPS TO TAKE

- Sandbox your critical accounts
- Avoid linking multiple accounts together
- Only shop at reputable merchants
- Know how to freeze credit
- Contact trusted parties for advice

THINGS TO CONSIDER

- Power of Attorney
- Peer to Peer Payments
- Friendly fraud
- If it's too good to be true...
- Trust the people not asking for your money

CRIMINAL PROSECUTION

Very unlikely for remote scams and fraud

Quick reporting is essential

Save critical evidence

Property crimes in WA



Questions?



Thank You