

Fraud: Managing the Epidemic

Identification, Detection, Prevention &
More

NEW YORK
BANKERS
ASSOCIATION

NYBA

Today's Speaker



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- Director of AML & Sanctions Compliance
- Assist clients with complex Bank Secrecy Act and Anti-Money Laundering and Sanctions compliance and investigative matters
- Directs BSA/AML consulting engagements including transaction look-backs, risk assessments, independent testing of compliance, and model validations and calibrations
- Brings over 30 years of experience in banking, regulatory compliance, and financial crimes investigations
- Federally designated expert in BSA

Fraud Defined

“The wrongful or criminal deception intended to result in financial or personal gain which targets the bank, consumer, health care, securities and investment, and tax sectors.”

Fraud Categories

Imposter Scams

Someone pretends to be a trusted person to get consumers to send money or give personal information. Examples include the following: scammers posing as government agency, a friend or relative with an emergency need for money, a romantic interest, a computer technician offering technical support, or a charity or company. This category also includes grant, property tracer, or refunds scams where the scammer is allegedly a government employee.

Online Shopping and Negative Reviews

Undisclosed costs, failure to deliver on time, non-delivery, and refusal to honor a guarantee on purchases made online, internet auctions.

Business and job Opportunities

Business opportunities (e.g., offers to start a new business); work-at-home plans (e.g., stuffing envelopes or processing medical claims); multi-level marketing schemes; job scams, job listings, or employee services; inventions or idea promotions.

Investment Related

Investment opportunities in day trading; gold and gems; art; rare coins; other investment products; reports about companies that offer advice on seminars on investments; etc.

Telephone and Mobile Services

Advertising related to mobile or landline telephone plans, rates, or coverage areas; problems with mobile applications, downloads, or other problems; charges for calls to “toll-free” numbers; unauthorized charges, such as unauthorized charges for calls; unauthorized switching of consumer’ phone service provider; misleading prepaid phone card offers; VoIP service problems; and unsolicited faxes and text messages.

Internet Services

Problems with website content, including websites that offer content for a fee or advertise products and services; difficulty canceling an ISP or online content; issues with online payment services, social networking services; undisclosed charges; and website design and promotion services.

Prizes, Sweepstakes and Lotteries

Promotions for “free” prizes for a fee; foreign lotteries and sweepstakes offered through the phone, fax, e-mail or mail; etc.

Health Care

Fraudulent, misleading, or deceptive claims for the following: disease and dependency treatments; dietary supplements; weight-loss products or services; impotency treatments; health spas and equipment; fertility services; sunscreens; HIV-test kits; medical discount plans; over-the-counter or prescription drugs; and other medical products, supplies or treatments such as alternative medicine, herbal supplements, and telemedicine.

Foreign Money Offers and Fake Check Scams

Letters or e-mails promising a percentage of millions of dollars from a foreign country in return for money, bank account numbers or other identifying information from the victim; fraudulent schemes involving foreign lotteries; mystery shoppers or internet purchases\classified ads in which someone is overpaid with a counterfeit check and asked to wire back the difference immediately after check deposit, leaving the victim responsible for the funds withdrawn; etc.

Travel, Vacations and Timeshare Plans

Deceptive offers for “free” or low-cost vacations; cut-rate student travel packages; misleading timeshare offers; etc.

FEDERAL TRADE COMMISSION

A Scammy Snapshot of 2022

(based on reports to Consumer Sentinel)

#FTCTopFrauds
ftc.gov/data
ReportFraud.ftc.gov



Federal Trade Commission data shows that consumers reported losing nearly \$8.8 billion to fraud in 2022, an increase of more than 30 percent over the previous year.

Consumers reported losing more money to investment scams—more than \$3.8 billion—than any other category in 2022. That amount more than doubles the amount reported lost in 2021. The second highest reported loss amount came from imposter scams, with losses of \$2.6 billion reported, up from \$2.4 billion in 2021.

The FTC received fraud reports from 2.4 million consumers last year, with the most commonly reported being imposter scams, followed by online shopping scams. Prizes, sweepstakes, and lotteries; investment related reports; and business and job opportunities rounded out the top five fraud categories.

Report Types

Year: 2023, Quarter: 2

Year
2023Quarter
2

Report Type



Top 10 Fraud Categ..

Rank	Category	# of Reports	% Reporting \$ Loss	Total \$ Loss	Median \$ Loss
1	Imposter Scams	182,704	21%	\$616.2M	\$899
2	Online Shopping and Negative Reviews	77,483	54%	\$110.7M	\$137
3	Business and Job Opportunities	23,790	31%	\$118.7M	\$2,000
4	Investment Related	22,845	76%	\$898.3M	\$6,166
5	Telephone and Mobile Services	18,351	11%	\$7.1M	\$219
6	Internet Services	18,308	7%	\$5.5M	\$218
7	Prizes, Sweepstakes and Lotteries	18,035	18%	\$49.5M	\$700
8	Health Care	13,811	7%	\$4.3M	\$260
9	Foreign Money Offers and Fake Check Scams	10,895	34%	\$53.8M	\$2,000
10	Travel, Vacations and Timeshare Plans	10,633	23%	\$27.1M	\$1,294

Identity Theft Types

Rank	Theft Type	# of Reports
1	Credit Card Fraud	103,842
2	Other Identity Theft	66,773
3	Loan or Lease Fraud	40,771
4	Bank Fraud	38,261
5	Employment or Tax-Related Fraud	29,069
6	Government Documents or Benefits Fraud	29,031
7	Phone or Utilities Fraud	20,272

Top 10 Other Categories

Rank	Category	# of Reports
1	Credit Bureaus, Info. Furnishers and Report Users	282,232
2	Banks and Lenders	46,041
3	Auto Related	32,895
4	Debt Collection	27,319
5	Credit Cards and Loss Protection	19,002
6	Home Repair, Improvement and Products	13,577
7	Television and Electronic Media	7,822
8	Privacy, Data Security, and Cyber Threats	4,033
9	Education	3,896
10	Computer Equipment and Software	3,640

Certain categories are comprised of subcategories that fall in both Fraud and Other report types. The Fraud rankings exclude subcategories that are not fraud, and the Other rankings exclud..

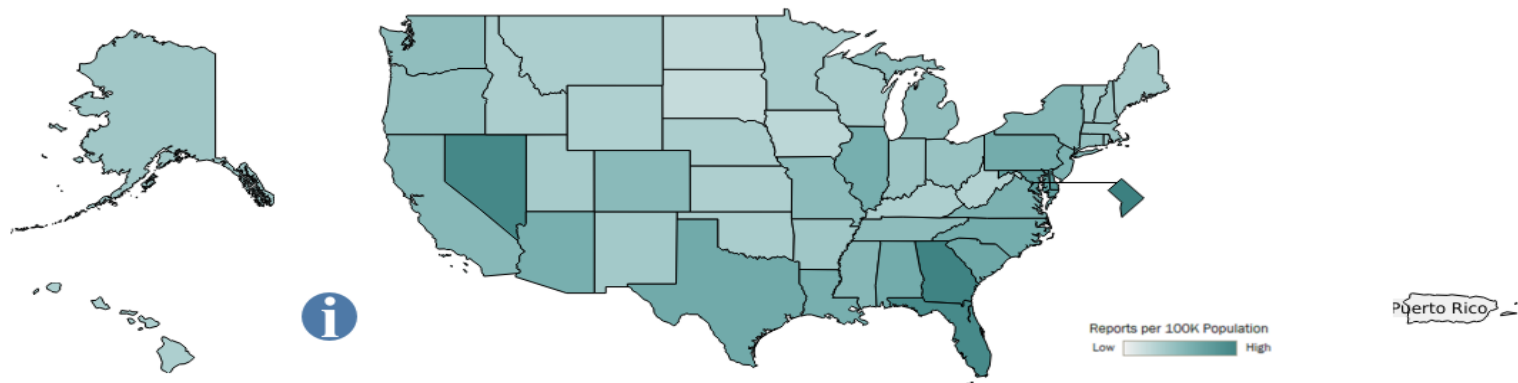
All Fraud and Other Reports

Year: 2023, Quarter: 2

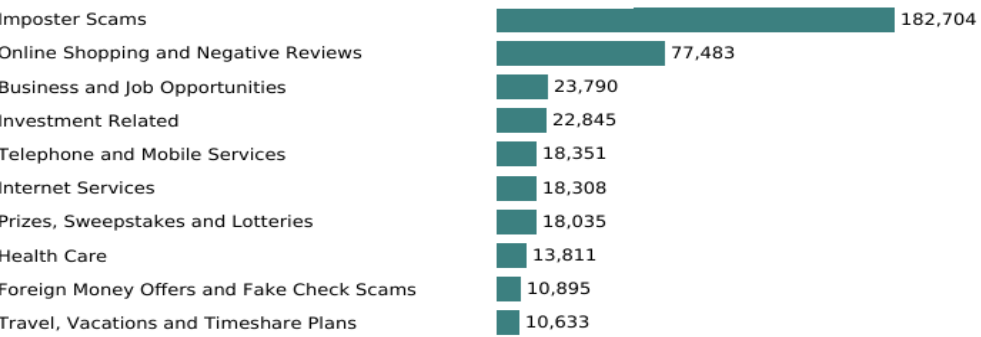
View
Map

Year
2023

Quarter
2



Top 10 Fraud Report Categories



Fraud Facts



State population estimates are based on U.S. Census population estimates for 2021. State level data excludes state-specific data contributor reports. Certain Fraud categories are comprised of subcategories that fall in both Fraud and Other report types. The Fraud rankings exclude subcategories that are not fraud.



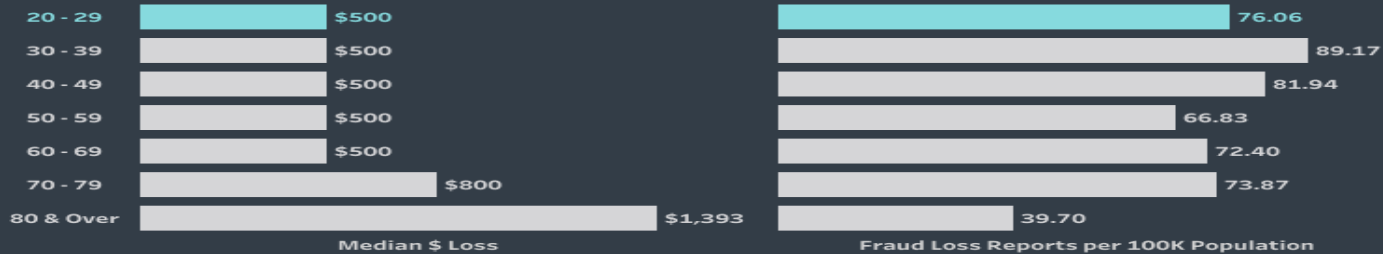
Explore Age & Fraud Loss

Source: FTC's Consumer Sentinel Network

Select Age:

Select Year:

2023^{YTD}



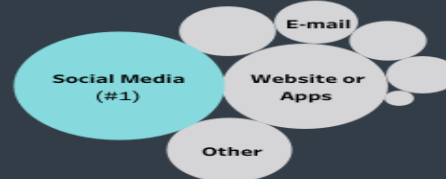
Fraud affects every generation differently.

Top Loss Reports for People Aged 20 - 29

Payment Method

Contact Method

- 1 Online Shopping
- 2 Business Imposters
- 3 Miscellaneous Investments & Investment Advice
- 4 Job Scams & Employment Agencies
- 5 Government Imposters



Learn more about fraud at ftc.gov/PassItOn

Not all reports include usable age information. Age comparisons in Fraud Loss Reports per 100K Population are based on (1) reports indicating any monetary loss, and (2) population estimates are based on U.S. Census Bureau population estimates for 2019. Percentages are based on the number of people reporting a monetary loss by age and a payment/contact method.

Data as of June 30, 2023



Explore Age & Fraud Loss

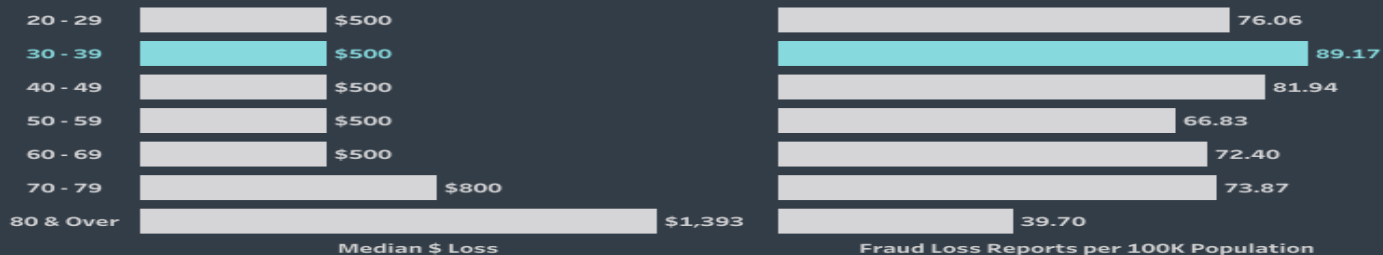
Source: FTC's Consumer Sentinel Network

Select Age:



Select Year:

2023^{YTD}

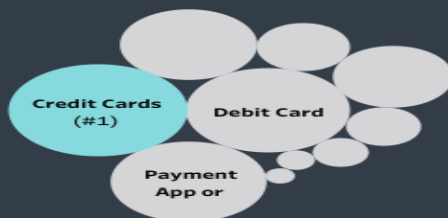


Fraud affects every generation differently.

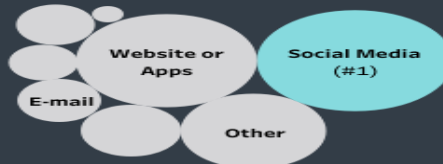
Top Loss Reports for People Aged 30 - 39

- 1 Online Shopping
- 2 Business Imposters
- 3 Miscellaneous Investments & Investment Advice
- 4 Government Imposters
- 5 Job Scams & Employment Agencies

Payment Method



Contact Method



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Data as of June 30, 2023



Explore Age & Fraud Loss

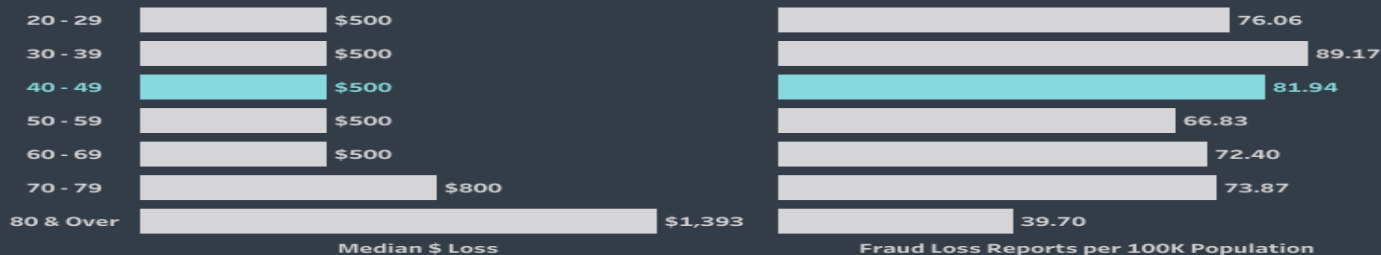
Source: FTC's Consumer Sentinel Network

Select Age:



Select Year:

2023^{YTD}



Fraud affects every generation differently.

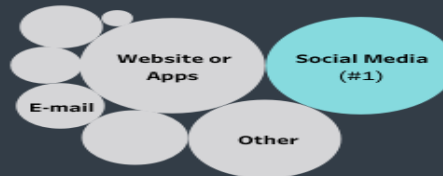
Top Loss Reports for People Aged 40 - 49

- 1 Online Shopping
- 2 Business Imposters
- 3 Miscellaneous Investments & Investment Advice
- 4 Government Imposters
- 5 Romance Scams

Payment Method



Contact Method



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Data as of June 30, 2023



Explore Age & Fraud Loss

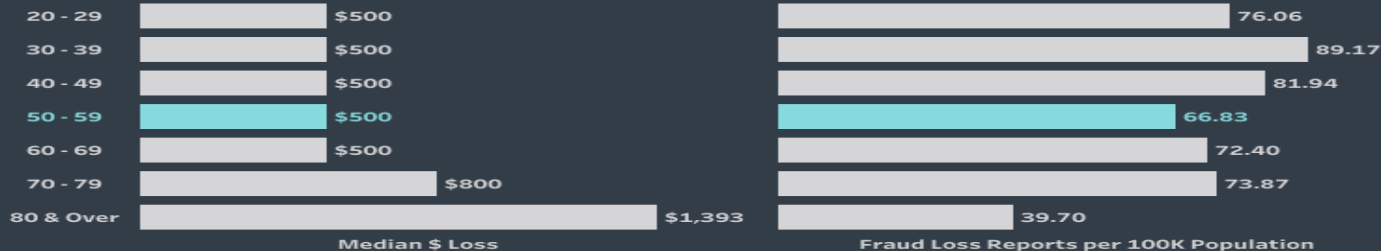
Source: FTC's Consumer Sentinel Network

Select Age:



Select Year:

2023^{YTD}



Fraud affects every generation differently.

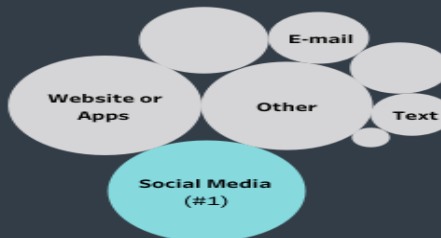
Top Loss Reports for People Aged 50 - 59

- 1 Online Shopping
- 2 Business Imposters
- 3 Miscellaneous Investments & Investment Advice
- 4 Government Imposters
- 5 Romance Scams

Payment Method



Contact Method



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Data as of June 30, 2023



Explore Age & Fraud Loss

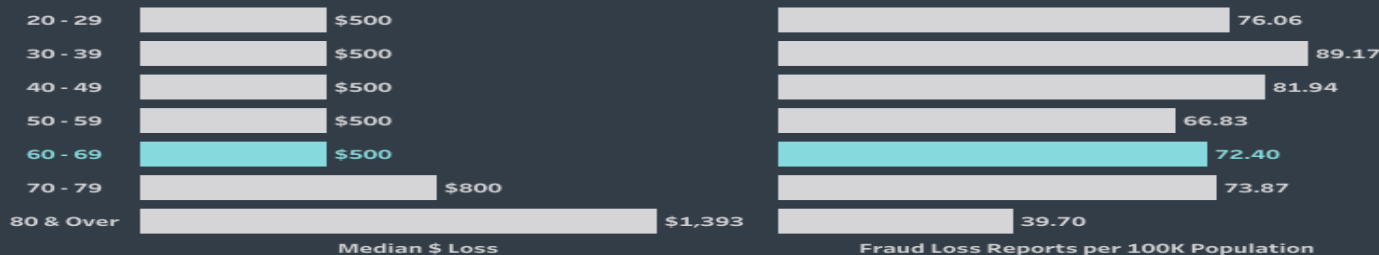
Source: FTC's Consumer Sentinel Network

Select Age:

Select Year:



2023^{YTD}

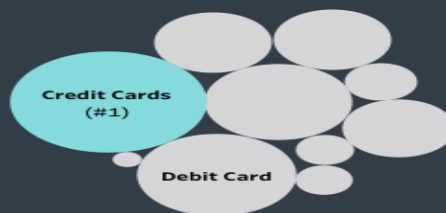


Fraud affects every generation differently.

Top Loss Reports for People Aged 60 - 69

- 1 Online Shopping
- 2 Business Imposters
- 3 Miscellaneous Investments & Investment Advice
- 4 Government Imposters
- 5 Tech Support Scams

Payment Method



Contact Method



Learn more about fraud at ftc.gov/PassItOn

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Data as of June 30, 2023



Explore Age & Fraud Loss

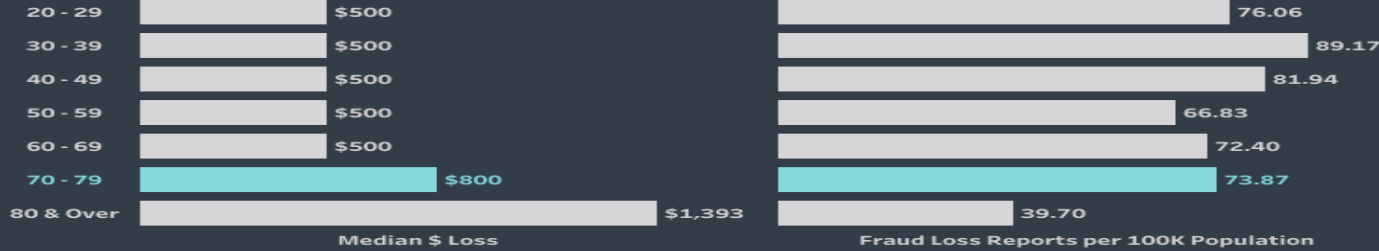
Source: FTC's Consumer Sentinel Network

Select Age:



Select Year:

2023^{YTD}



Fraud affects every generation differently.

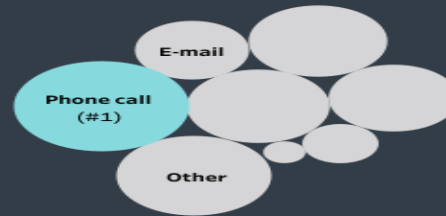
Top Loss Reports for People Aged 70 - 79

- 1 Online Shopping
- 2 Business Imposters
- 3 Tech Support Scams
- 4 Government Imposters
- 5 Prizes, Sweepstakes & Lotteries

Payment Method



Contact Method



Learn more about fraud at ftc.gov/PassItOn

Not all reports include usable age information. Age comparisons in Fraud Loss Reports per 100K Population are based on (1) reports indicating any monetary loss, and (2) population estimates are based on U.S. Census Bureau population estimates for 2019. Percentages are based on the number of people reporting a monetary loss by age and a payment/contact method.

Data as of June 30, 2023



Explore Age & Fraud Loss

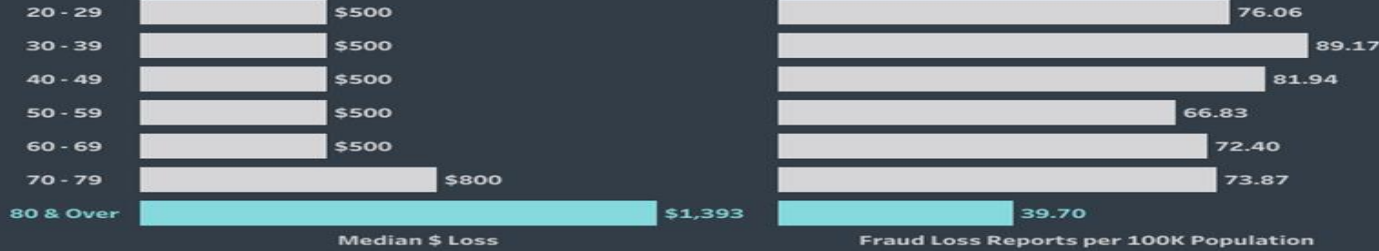
Source: FTC's Consumer Sentinel Network

Select Age:



Select Year:

2023^{YTD}



Fraud affects every generation differently.

Top Loss Reports for People Aged 80 & Over

- 1 Business Imposters
- 2 Online Shopping
- 3 Tech Support Scams
- 4 Government Imposters
- 5 Prizes, Sweepstakes & Lotteries

Payment Method



Contact Method



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Data as of June 30, 2023

Advance Payments for Credit Services
Year: 2023, Quarter: 2

Fraud Category
Advance Payments for Credit Services

Fraud Facts at a Glance

of Fraud Reports: 7,288
% Reporting \$ Loss: 28%
Total Loss Reported: \$16.6M
Median Loss Reported: \$728
Top Payment Method: Wire Transfer
Top Contact Method: Other

Top 15 States
(ranked by reports per million population)

Rank	State Name	Year 2023 # of Reports	Quarter 2 Reports per Million Pop.
1	Florida	849	39.8
2	Nevada	118	38.6
3	Georgia	367	34.5
4	California	1,048	26.6
5	Texas	710	24.6
6	Louisiana	113	24.3
7	Alabama	115	23.0
8	Maryland	135	22.0
9	Tennessee	137	20.0
10	Delaware	19	19.4
11	Arkansas	52	17.3
12	New Jersey	157	17.0
13	North Carolina	173	16.7
14	Mississippi	49	16.5
15	Indiana	108	16.0

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Business and Job Opportunities

Year: 2023, Quarter: 2

Fraud Category

Business and Job Opportunities

Fraud Facts at a Glance

of Fraud Reports:
23,790% Reporting \$ Loss:
31%Total Loss Reported:
\$118.7MMedian Loss Reported:
\$2,000Top Payment Method:
Payment App or ServiceTop Contact Method:
Website or Apps

Top 15 States

(ranked by reports per million population)

		Year 2023	Quarter 2
Rank	State Name	# of Reports	Reports per Million Pop.
1	Nevada	256	83.7
2	Georgia	739	69.5
3	Arizona	491	69.4
4	Florida	1,436	67.3
5	Utah	217	67.2
6	Maryland	398	64.7
7	Colorado	368	64.3
8	Texas	1,847	64.0
9	New Mexico	122	57.8
10	North Carolina	590	56.9
11	New Jersey	516	55.9
12	California	2,168	54.9
13	Tennessee	375	54.7
14	Washington	416	54.6
15	New York	1,087	54.0

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ..

Charitable Solicitations
Year: 2023, Quarter: 2

Fraud Category
Charitable Solicitations

Fraud Facts at a Glance

of Fraud Reports: 2,146
% Reporting \$ Loss: 25%
Total Loss Reported: \$7.0M
Median Loss Reported: \$500
Top Payment Method: Payment App or Service
Top Contact Method: Phone call

Top 15 States
(ranked by reports per million population)

		Year 2023	Quarter 2
Rank	State Name	# of Reports	Reports per Million Pop.
1	Alaska	6	8.2
2	Delaware	7	7.1
3	South Dakota	6	6.8
4	Idaho	12	6.6
5	Nevada	20	6.5
6	Wisconsin	38	6.5
7	Colorado	37	6.5
8	Arizona	45	6.4
9	Oregon	26	6.2
10	New Mexico	13	6.2
11	Massachusetts	43	6.2
12	Washington	45	5.9
13	Nebraska	11	5.6
14	Virginia	48	5.6
15	Tennessee	36	5.2

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Foreign Money Offers and Fake Check Scams
Year: 2023, Quarter: 2

Fraud Category
Foreign Money Offers and Fake Check Scams

Fraud Facts at a Glance

of Fraud Reports: 10,895
% Reporting \$ Loss: 34%
Total Loss Reported: \$53.8M
Median Loss Reported: \$2,000
Top Payment Method: Payment App or Service
Top Contact Method: Email

Top 15 States
(ranked by reports per million population)

Rank	State Name	Year 2023 # of Reports	Quarter 2 Reports per Million Pop.
1	Nevada	131	42.8
2	Arizona	285	40.3
3	Florida	801	37.5
4	Utah	120	37.1
5	Colorado	212	37.0
6	New Mexico	76	36.0
7	Maryland	220	35.8
8	Delaware	35	35.6
9	Oregon	148	35.2
10	Virginia	298	34.7
11	Washington	262	34.4
12	Georgia	364	34.3
13	California	1,328	33.7
14	Oklahoma	128	32.4
15	Rhode Island	35	32.1

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Grants
Year: 2023, Quarter: 2

Fraud Category
Grants

Fraud Facts at a Glance

of Fraud Reports:
450

% Reporting \$ Loss:
39%

Total Loss Reported:
\$1.3M

Median Loss Reported:
\$950

Top Payment Method:
Gift Card or Reload Card

Top Contact Method:
Social Media

Top 15 States
(ranked by reports per million population)

Year 2023
Quarter 2

Rank	State Name	# of Reports	Reports per Million Pop.
1	West Virginia	8	4.4
2	Kansas	10	3.4
3	Montana	3	2.8
4	Alaska	2	2.7
5	New Hampshire	3	2.2
6	Delaware	2	2.0
7	Mississippi	6	2.0
8	Missouri	12	2.0
9	Maryland	12	2.0
10	Florida	40	1.9
11	Wisconsin	11	1.9
12	Rhode Island	2	1.8
13	Kentucky	8	1.8
14	New Jersey	16	1.7
15	Iowa	5	1.6

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Health Care
Year: 2023, Quarter: 2

Fraud Category
Health Care

Fraud Facts at a Glance

of Fraud Reports: 13,811
% Reporting \$ Loss: 7%
Total Loss Reported: \$4.3M
Median Loss Reported: \$260
Top Payment Method: Credit Cards
Top Contact Method: Social Media

Top 15 States
(ranked by reports per million population)

Rank	State Name	Year 2023 # of Reports	Quarter 2 Reports per Million Pop.
1	Nevada	176	57.5
2	Arizona	407	57.5
3	Florida	1,189	55.7
4	Maryland	329	53.5
5	Georgia	555	52.2
6	Colorado	287	50.1
7	Missouri	277	45.1
8	Virginia	378	44.0
9	Delaware	43	43.8
10	New Hampshire	60	43.7
11	South Carolina	221	43.5
12	Washington	329	43.2
13	North Carolina	447	43.1
14	Rhode Island	47	43.0
15	Illinois	522	40.7

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Imposter Scams
Year: 2023, Quarter: 2

Fraud Category
Imposter Scams

Fraud Facts at a Glance

of Fraud Reports: 182,704
% Reporting \$ Loss: 21%
Total Loss Reported: \$616.2M
Median Loss Reported: \$899
Top Payment Method: Gift Card or Reload Card
Top Contact Method: Phone call

Top 15 States
(ranked by reports per million population)

Rank	State Name	# of Reports	Reports per Million Pop.
1	Washington	4,863	638.4
2	Oregon	2,594	616.6
3	Colorado	3,111	543.6
4	Nevada	1,655	541.0
5	Arizona	3,720	525.5
6	Maryland	3,105	505.0
7	Virginia	4,295	500.4
8	Alaska	365	496.0
9	New Hampshire	675	491.9
10	Massachusetts	3,412	488.0
11	Florida	10,344	484.7
12	Montana	494	458.3
13	Delaware	442	450.2
14	Utah	1,435	444.1
15	New Mexico	931	441.4

Year
2023

Quarter
2

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Internet Services
Year: 2023, Quarter: 2

Fraud Category
Internet Services

Fraud Facts at a Glance

of Fraud Reports: 18,308
% Reporting \$ Loss: 7%
Total Loss Reported: \$5.5M
Median Loss Reported: \$218
Top Payment Method: Credit Cards
Top Contact Method: Website or Apps

Top 15 States
(ranked by reports per million population)

		Year 2023	Quarter 2
Rank	State Name	# of Reports	Reports per Million Pop.
1	Delaware	84	85.5
2	Nevada	198	64.7
3	Alaska	45	61.1
4	Wyoming	35	60.7
5	Florida	1,288	60.4
6	Virginia	509	59.3
7	Connecticut	211	58.5
8	Georgia	592	55.7
9	New York	1,109	55.1
10	Oregon	225	53.5
11	California	2,084	52.8
12	Maryland	320	52.0
13	Washington	384	50.4
14	New Jersey	463	50.1
15	Colorado	283	49.4

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Investment Related
Year: 2023, Quarter: 2

Fraud Category
Investment Related

Fraud Facts at a Glance

of Fraud Reports: 22,845
% Reporting \$ Loss: 76%
Total Loss Reported: \$898.3M
Median Loss Reported: \$6,166
Top Payment Method: Cryptocurrency
Top Contact Method: Social Media

Top 15 States
(ranked by reports per million population)

Rank	State Name	# of Reports	Reports per Million Pop.
1	Nevada	180	58.8
2	Florida	1,196	56.0
3	Alaska	41	55.7
4	Hawaii	80	55.0
5	Maryland	336	54.6
6	Arizona	378	53.4
7	California	2,026	51.3
8	Colorado	290	50.7
9	Washington	375	49.2
10	Virginia	375	43.7
11	New Jersey	392	42.5
12	Utah	137	42.4
13	Wyoming	24	41.6
14	New York	812	40.4
15	Oregon	161	38.3

Year
2023

Quarter
2

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Magazines and Books

Year: 2023, Quarter: 2

Fraud Category
Magazines and Books

Fraud Facts at a Glance

of Fraud Reports: 1,049
% Reporting \$ Loss: 12%
Total Loss Reported: \$0.5M
Median Loss Reported: \$300
Top Payment Method: Credit Cards
Top Contact Method: Other

Top 15 States
(ranked by reports per million population)

Rank	State Name	# of Reports	Reports per Million Pop.
1	Wisconsin	32	5.4
2	Virginia	39	4.5
3	Minnesota	25	4.4
4	Pennsylvania	57	4.4
5	Alaska	3	4.1
6	Connecticut	14	3.9
7	Kentucky	17	3.8
8	Ohio	44	3.7
9	Colorado	21	3.7
10	Maryland	22	3.6
11	Michigan	36	3.6
12	Arizona	24	3.4
13	Florida	71	3.3
14	Massachusetts	23	3.3
15	Missouri	20	3.3

Year
2023

Quarter
2

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Mortgage Foreclosure Relief and Debt Management
Year: 2023, Quarter: 2

Fraud Category
Mortgage Foreclosure Relief and Debt Mana..

Fraud Facts at a Glance

of Fraud Reports: 5,861
% Reporting \$ Loss: 19%
Total Loss Reported: \$8.2M
Median Loss Reported: \$1,100
Top Payment Method: Debit Card
Top Contact Method: Phone call

Top 15 States
(ranked by reports per million population)

Rank	State Name	Year 2023 # of Reports	Quarter 2 Reports per Million Pop.
1	Georgia	257	24.2
2	Mississippi	68	22.9
3	Nevada	69	22.6
4	Florida	433	20.3
5	Colorado	116	20.3
6	Maryland	119	19.4
7	Alabama	96	19.2
8	New Mexico	39	18.5
9	Nebraska	35	17.9
10	California	700	17.7
11	Illinois	222	17.3
12	Delaware	17	17.3
13	Arizona	122	17.2
14	Pennsylvania	219	16.9
15	South Carolina	85	16.7

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ..

Office Supplies and Services

Year: 2023, Quarter: 2

Fraud Category

Office Supplies and Services

Fraud Facts at a Glance

of Fraud Reports: 622
% Reporting \$ Loss: 7%
Total Loss Reported: \$0.2M
Median Loss Reported: \$499
Top Payment Method: Credit Cards
Top Contact Method: Mail

Top 15 States
(ranked by reports per million population)

		Year 2023	Quarter 2
Rank	State Name	# of Reports	Reports per Million Pop.
1	Alaska	3	4.1
2	Delaware	3	3.1
3	New Mexico	6	2.8
4	Montana	3	2.8
5	Washington	18	2.4
6	Missouri	14	2.3
7	Maryland	14	2.3
8	Colorado	13	2.3
9	Arizona	16	2.3
10	Connecticut	8	2.2
11	Wisconsin	13	2.2
12	Maine	3	2.2
13	Idaho	4	2.2
14	Utah	7	2.2
15	New York	42	2.1

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Online Shopping and Negative Reviews

Year: 2023, Quarter: 2

Fraud Category

Online Shopping and Negative Reviews

Fraud Facts at a Glance

of Fraud Reports:
77,483% Reporting \$ Loss:
54%Total Loss Reported:
\$110.7MMedian Loss Reported:
\$137Top Payment Method:
Credit CardsTop Contact Method:
Website or Apps

Top 15 States

(ranked by reports per million population)

		Year 2023	Quarter 2
Rank	State Name	# of Reports	Reports per Million Pop.
1	Delaware	221	225.1
2	Colorado	1,278	223.3
3	New Hampshire	302	220.1
4	Wyoming	125	216.8
5	Washington	1,647	216.2
6	Arizona	1,488	210.2
7	Florida	4,407	206.5
8	Massachusetts	1,418	202.8
9	Virginia	1,740	202.7
10	Oregon	850	202.0
11	Alaska	148	201.1
12	Nevada	614	200.7
13	Maryland	1,230	200.0
14	New York	3,950	196.4
15	Maine	264	194.5

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Prizes, Sweepstakes and Lotteries
Year: 2023, Quarter: 2

Fraud Category
Prizes, Sweepstakes and Lotteries

Fraud Facts at a Glance

of Fraud Reports: 18,035
% Reporting \$ Loss: 18%
Total Loss Reported: \$49.5M
Median Loss Reported: \$700
Top Payment Method: Gift Card or Reload Card
Top Contact Method: Phone call

Top 15 States
(ranked by reports per million population)

Rank	State Name	Year 2023 # of Reports	Quarter 2 Reports per Million Pop.
1	West Virginia	145	80.5
2	Oregon	321	76.3
3	Maine	89	65.6
4	Arizona	447	63.1
5	Missouri	385	62.7
6	Florida	1,325	62.1
7	North Dakota	48	62.1
8	Arkansas	184	61.2
9	Alabama	298	59.6
10	Delaware	58	59.1
11	Idaho	106	58.5
12	New Mexico	123	58.3
13	Washington	444	58.3
14	Kansas	170	58.0
15	Nevada	177	57.9

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Tax Preparers
Year: 2023, Quarter: 2

Fraud Category
Tax Preparers

Fraud Facts at a Glance

of Fraud Reports: 1,372
% Reporting \$ Loss: 10%
Total Loss Reported: \$0.4M
Median Loss Reported: \$298
Top Payment Method: Credit Cards
Top Contact Method: Other

Top 15 States
(ranked by reports per million population)

Rank	State Name	Year 2023 # of Reports	Quarter 2 Reports per Million Pop.
1	North Dakota	6	7.8
2	Alaska	5	6.8
3	Georgia	71	6.7
4	Hawaii	9	6.2
5	Delaware	6	6.1
6	Colorado	34	5.9
7	Nevada	18	5.9
8	Maryland	36	5.9
9	Pennsylvania	75	5.8
10	New Hampshire	7	5.1
11	South Carolina	25	4.9
12	New Jersey	44	4.8
13	Indiana	32	4.7
14	Rhode Island	5	4.6
15	Louisiana	21	4.5

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Telephone and Mobile Services
Year: 2023, Quarter: 2

Fraud Category
Telephone and Mobile Services

Fraud Facts at a Glance

of Fraud Reports:
18,351

% Reporting \$ Loss:
11%

Total Loss Reported:
\$7.1M

Median Loss Reported:
\$219

Top Payment Method:
Debit Card

Top Contact Method:
Other

Top 15 States
(ranked by reports per million population)

Rank	State Name	Year 2023 # of Reports	Quarter 2 Reports per Million Pop.
1	Florida	1,407	65.9
2	Nevada	198	64.7
3	Georgia	684	64.4
4	Missouri	386	62.9
5	Connecticut	216	59.9
6	Pennsylvania	761	58.7
7	North Carolina	599	57.8
8	Alabama	284	56.8
9	Arizona	401	56.6
10	Delaware	55	56.0
11	Illinois	718	56.0
12	Virginia	474	55.2
13	Maryland	339	55.1
14	Ohio	641	54.5
15	New Jersey	496	53.7

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Travel, Vacations and Timeshare Plans

Year: 2023, Quarter: 2

Fraud Category

Travel, Vacations and Timeshare Plans

Fraud Facts at a Glance

of Fraud Reports:
10,633

% Reporting \$ Loss:
23%

Total Loss Reported:
\$27.1M

Median Loss Reported:
\$1,294

Top Payment Method:
Credit Cards

Top Contact Method:
Other

Top 15 States (ranked by reports per million population)

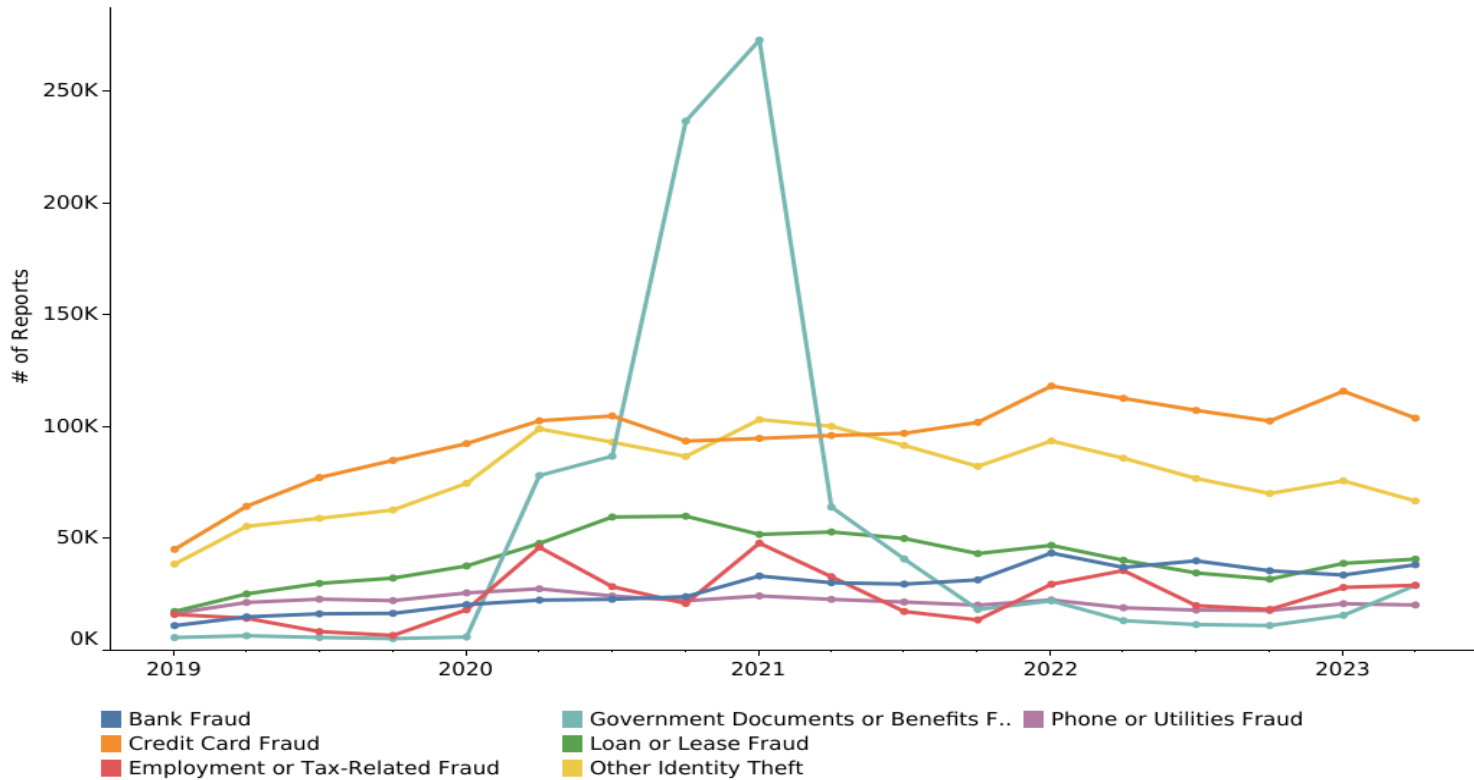
		Year 2023	Quarter 2
Rank	State Name	# of Reports	Reports per Million Pop.
1	Maryland	253	41.1
2	Florida	873	40.9
3	Nevada	112	36.6
4	Utah	113	35.0
5	New Hampshire	47	34.3
6	Virginia	290	33.8
7	Georgia	354	33.3
8	New Jersey	304	32.9
9	South Carolina	161	31.7
10	Connecticut	113	31.3
11	Oregon	127	30.2
12	North Carolina	310	29.9
13	New York	596	29.6
14	Wyoming	17	29.5
15	California	1,163	29.5

State rankings are based on the number of reports per million population. Population estimates are based on U.S. Census population estimates for 2020. State level data and rankings exclude ...

Compare Identity Theft Report..

Date Range

Theft Type
All



Consumers can report multiple types of identity theft.

Regulatory Expectations

- Strong governance is vital to managing an institution's exposure to fraud and must include a strong corporate culture that discourages imprudent risk-taking.
- Fraud risk management should be commensurate with the bank's risk profile and stated Board-approved risk appetite statement.
- Both banks and non-bank financial institutions must develop **preventative and detective controls**, including (i) developing anti-fraud policies and procedures, such as ethics policies, codes of conduct, and identity theft programs; (ii) creating anti-fraud awareness campaigns; (iii) establishing fraud risk management training programs for employees and contractors and educating customers on preventative measures; (iv) implementing a system of controls intended to prevent employees and third parties from conducting fraudulent transactions, such as opening or closing of bank accounts; (v) conducting background investigations for new employees and periodic checks for existing employees and third parties; (vi) providing sound training and information security programs; and (vii) establishing processes for customer identification, customer due diligence, and beneficial ownership identification and verification.

Regulatory Expectations (Cont'd.)

- Senior management should understand the institution's exposure to fraud risk and associated losses.
- The Anti Money Laundering Act of 2020 (AMLA) requires banks to incorporate the national AML/Counter-Financing Terrorism (CFT) Priorities into their risk-based Bank Secrecy Act (BSA) compliance programs.
- Fraud is identified as one of eight national priorities.

Products/Services Most Related to Fraud

-
- Domestic and international ACH (IAT)
 - Wire
 - e-Banking
 - Credit cards
 - Convertible virtual currencies (CVCs)
 - Gift cards
 - Pre-paid cards
 - Real-estate lending
 - ATM
 - Mobile banking
 - Cashier's checks

Customer/Entity Types Most Related to Fraud

- Cash couriers
- Money mules
- Money services businesses (MSBs)
- Shell companies
- Shelf companies
- International business company/corporations (IBCs)
- Front companies
- Home healthcare
- Doctors
- Pharmacists
- Assisted living
- Chiropractors
- Radiologist
- Medical supply companies
- Rehabilitative services
- Lending/brokerage services (E-mail Account Compromise)
- Real estate services (E-mail Account Compromise)
- Legal services (E-mail Account Compromise)
- Manufacturing, construction, real estate, commercial customers, government entities non-profit organizations, schools and universities (Business E-Mail Compromise)

Geographies/Jurisdictions Most Related to Fraud

-
- China
 - Hong Kong
 - Mexico
 - Turkey
 - United Kingdom
 - Nigeria

Four Steps to Fighting Back

1. Determine your organization's fraud risk appetite

- Does your organization's leadership understand the risk environment? Have they agreed and articulated how much risk the organization is willing to take? For a typical enterprise, the goal should be
 - Low fraud losses – comparable to or better than peers.
 - High level of customer service – frictionless access, rare false alerts.
 - Optimal operational efficiency and effectiveness – effective fraud processes.

Four Steps to Fighting Back (cont'd.)

2. Put the right people and policies in place

- **People.** Since fraud management is very much a technology issue today, teams will need people who understand data and analytics but are also versed in investigative techniques and technologies. And it needs people who can scan the landscape to anticipate and understand emerging risks that accompany new initiatives.
- **Policy.** An airtight fraud policy sets forth minimum standards regarding the end-to-end fraud prevention process, including:
 - Customer authentication.
 - Wallet provisioning.
 - Real-time fraud protection.
 - Transaction monitoring.

Four Steps to Fighting Back (cont'd.)

- Identification and verification.
- Reporting and management information.
- Fraud case review.
- Root cause analysis.
- Investigations and recovery.
- Machine learning feedback loop where applicable.

Four Steps to Fighting Back (cont'd.)

3. Implement strong anti-fraud tools and technology

- Use analytics-driven tools and technologies that are:
 - **Comprehensive.** The fraud technology should span account opening, transaction monitoring and network analysis, with broad data sharing and supported by analytics-driven rules and models.
 - **Real-time.** Ideally, a system will monitor all transactions, both monetary and non-monetary.
 - **Cross-channel.** Now that customers have more choice in how they transact, it is more important to have a single and versatile fraud solution for all contact channels – internet, telephone, mobile, digital and in-person – to gain a holistic customer view.

Four Steps to Fighting Back (cont'd.)

- **Cross-payment.** Anti-fraud mechanisms should provide a consistent and unified view across checks, debit cards, credit cards, ACH, wire transfers, deposits, merchant transactions and digital/online payments.
- **Enterprise wide.** The 360-degree customer view created by an anti-fraud system can also add value for anti-money laundering (AML), credit risk management, marketing and sales efforts. Activities that look innocuous by themselves can appear suspicious when seen in broader context.
- **Open for integration.** A key differentiator is the openness and flexibility of the technology architecture and a 'tool-kit' approach to risk analytics and reporting.

Four Steps to Fighting Back (cont'd.)

4. Education

- Education of both customer facing and operations staff and customers **is critical** in the prevention of fraud particularly those involving schemes involving the elderly (Imposter scams; Prizes, sweepstakes and lotteries scams; Healthcare scams; Foreign money offers and fake checks scams; and Travel, vacations and timeshare plans).

Best Practices for Partnering with Law Enforcement

1. Make connections with local law enforcement

- Identify key contacts responsible for fraud investigations at local police departments, FBI, IRS-CI, HSI and Secret Service field offices and maintain regular contact to cultivate good working relationships that could prove invaluable when you need law enforcement assistance.
- This will also help establish a relationship that will foster two-way communications and information-sharing that will be beneficial to both your organization and law enforcement.
 - <https://www.fbi.gov/investigate/cyber>
 - <https://www.secretservice.gov/investigation>
 - <https://www.ice.gov/about-ice/homeland-security-investigations>
 - <https://www.irs.gov/compliance/criminal-investigation>
 - <https://www.ic3.gov/>

Best Practices for Partnering with Law Enforcement (cont'd.)

2. Identify a contact at your local SAR Review Team

- There are Suspicious Activity Report (“SAR”) review teams located around the country, covering all 94 federal judicial districts.
- At least one in each federal judicial district.
- Each team proactively reviews SARs for their geographic area.
- Led by a representative from the local Office of the United States Attorney
- Typically comprised of members from:
 - IRS-CI
 - FBI
 - HSI
 - Secret Service
 - State & local law enforcement

Best Practices for Partnering with Law Enforcement (cont'd.)

3. Bolster your intelligence collection sources

- The FBI, DHS and Secret Service regularly share threat data with the private sector through established programs particularly around cyber threats.
- The data that these federal entities provide contains alerts and analysis that can help organizations detect, prevent, and mitigate fraud.

4. Engage with law enforcement before an incident.

- After identifying local law enforcement contacts engage with them.

Best Practices for Partnering with Law Enforcement (cont'd.)

5. Document all investigative steps

- To avoid duplication of effort and retracing of steps, internal investigations and other response activities should create a record of all investigative steps that can later be presented to law enforcement.

6. Preserve the evidence

- Evidence is critical to apprehending criminals, disrupting ongoing schemes, and taking down criminal infrastructure. Any physical, documentary, or digital evidence acquired during an internal investigation should be preserved for later use in legal proceedings.
- Make sure evidence and data is preserved with forensically sound methods that do not taint or destroy the evidence so it may be used in prosecutions and court proceedings initiated to take down criminal infrastructure and hold perpetrators accountable.



QUESTIONS???