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Fraud Alert

Counterfeit Check Scams Targeting Mobile Deposits

A northwest credit union has reported a new twist on the counterfeit Cashier's Check scams. The credit union is reporting that scammers are instructing the recipients of counterfeit checks to deposit them via mobile deposit.

Most credit unions are familiar with the various types of scams associated with counterfeit check deposits. Normally, most scammers direct the member to deposit the check at their local financial institution and warn them to not discuss the circumstances around the check. This is for good reason as most front-line staff would be able to pick up on the obvious signs indicating that the member is being scammed. However, scammers are smart too, so they are now instructing their intended victims to deposit the counterfeit checks via mobile deposit. This benefits the scam in several ways:

- No discussion with front-line staff is required for the deposit, so it is harder for the credit union to be alerted of the possible scam;
- A lot of institutions offer immediate availability on mobile deposits under a certain dollar amount;
- Some institutions do not review every deposit, and/or the review is determined by the dollar amount of the item. This means that checks under that dollar amount essentially fly under the radar of the credit union; and
- Members assume that if the deposit is accepted via the mobile deposit platform, that the check is legitimate.

Because of these factors, it is important for credit unions to share information with their members regarding the various ways these scams can be identified. For example, members should be told to be wary of any check received from someone whom they do not know. If they receive such a check, they should bring it into the credit union and explain the circumstances

surrounding the receipt of the check so that the credit union can help them determine if it is legitimate or not.

Credit unions can point members to additional resources regarding the prevalence of scams including the [FBI](#), [FTC](#), and [BCFP](#).

What steps can credit unions take to combat counterfeit check deposits via mobile banking?

Credit unions should check with their mobile banking and deposit provide to learn if there are parameters that can be set that will automatically reject, or at the very least flag for review, Cashier's Checks deposited via mobile devices.

Credit unions should also review their internal policies and procedures for accepting and reviewing checks for deposit via mobile devices. Since fraud is on the rise (not just counterfeit checks, but also duplicate presentments), it is worth revisiting and reevaluating the associated risk. While not every risk can be avoided, reevaluating the risk associated with mobile deposits coupled with member education about scams can go a long way to protect the members and credit union from losses.

#CUobsessed

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If your credit union needs to report fraud, please fill out [this form](#).

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