



Check Fraud Perpetrator Profile Summary

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1. Introduction

OrboGraph interviewed seven financial institutions currently experiencing a variety of check fraud attempts and losses. This document summarizes the approaches these fraud perpetrators used in attempts to defraud other individuals or corporate accounts.

Pay special attention to the **“Perpetrator Profile”** column. It is very interesting to see the various dynamics of the perpetrators and the actions they took. In the column under **Preventative Technologies**, we highlight technical capabilities of image analysis and image processing which can help detect fraud before the losses occur.

The goal of this paper is to provide our current and prospect customers with an additional tool to help create profiles of fraudsters and mitigate fraud risk.

2. Financial Institution #1

Channel	Fraud Type	On-us v. Transit	Perpetrator Type	Perpetrator Profile	Fraudulent Action	Loss Profile
Inclearing	Random Counterfeit	On-us	Individual	Unemployed, money needed	Copied, blank stock	Low dollar, under \$500
Inclearing	Forgery	On-us	Small group	Local	Mailbox theft	\$1,000+
ATM - Deposit	Skilled counterfeit	Transit	Large ring	Regional	Depositing 10 ATMS in area	\$5,000, 10 checks

Channel	Preventative Technologies
Inclearing	Image analysis, check stock validation
Inclearing	Alert, automated signature verification
ATM - Deposit	Transit profiles, check stock validation, bad image match, real-time detection

3. Financial Institution #2

Channel	Fraud Type	On-us v. Transit	Perpetrator Type	Perpetrator Profile	Fraudulent Action	Loss Profile
ATM - Deposit	Amount Alteration	Transit	Local ring	Local ring	Money orders, wash and inflate amount	\$50,000, 20 Money orders
All channels	Skilled counterfeit	On-us	Large ring	International	Nearly perfect check stock copy result of online banking hack	\$500,000+, dozens of checks
Inclearing	Payee Alteration	On-us	Individual	Local	Mailbox theft, altering only payee	\$100,000, bypass traditional positive pay

Channel	Preventative Technologies
ATM - Deposit	Check style, CAR/LAR discrepancy, cash equivalent detection, transit profiling, bad image, amount verification
All channels	Check stock, serial out of range, amount out of range, automated signature verification, payee negative match, watch accounts, payee to account holder
Inclearing	Payee name verification for positive-pay, payee to account holder

4. Financial Institution #3

Channel	Fraud Type	On-us v. Transit	Perpetrator Type	Perpetrator Profile	Fraudulent Action	Loss Profile
Mobile Deposit	Duplicate	Transit	Individual	Local	Deposit same check, multiple banks	\$2,500
Teller	Counterfeit cashier's check	Transit	Large ring	International	Lottery scams, etc.	Varies, also reputational if not caught
Inclearing	Counterfeit HELOC	On-us	Local ring	Organized	Use HELOC accounts for counterfeiting	\$5,000+ per case
Deposit	Unauthorized drafts	Both	Organized	Organized	Fake/unauthorized drafts and other RCCs	Multiple low dollar drafts

Channel	Preventative Technologies
Mobile Deposit	Duplicate detection, real-time, bad image
Teller	Transit profiles, negative matching
Inclearing	Check stock, automated signature verification, specific profiling, velocity
Deposit	PAD/RCC detection, profile rules

5. Financial Institution #4

Channel	Fraud Type	On-us v. Transit	Perpetrator Type	Perpetrator Profile	Fraudulent Action	Loss Profile
Inclearing	Keywords in the memo line	Both	Organized	Local ring	Fake memo information	
Deposit	Keywords in the memo line	Both	Organized	Local ring	Fake memo information	

Channel	Preventative Technologies
Inclearing	Read and interpret memo (not available), presence detect on memo (TBD)
Deposit	Read and interpret memo (not available), presence detect on memo (TBD)

6. Financial Institution #5

Channel	Fraud Type	On-us v. Transit	Perpetrator Type	Perpetrator Profile	Fraudulent Action	Loss Profile
Inclearing	Internal bank account	On-us	Individual or ring	Local or larger ring	Copy or obtain bank checks	Larger dollar
Deposit	Internal bank account	On-us	Individual or ring	Local or larger ring	Copy or obtain bank checks	Larger dollar

Channel	Preventative Technologies
Inclearing	Check stock validation, return inclearing ASAP, deposit-transit profile
Deposit	Check stock validation, return inclearing ASAP, deposit-transit profile

7. Financial Institution #6

Channel	Fraud Type	On-us v. Transit	Perpetrator Type	Perpetrator Profile	Fraudulent Action	Loss Profile
Deposit	Swapping payee and LAR	Transit	Individual	Local	Careless fraudster	Lower dollar

Channel	Preventative Technologies
Deposit	Payee to account holder

8. Financial Institution #7

Channel	Fraud Type	On-us v. Transit	Perpetrator Type	Perpetrator Profile	Fraudulent Action	Loss Profile
Inclearing	Amount Alteration	Both	Individual	Local	Redeposit item six months later, change amount	
Deposit	Amount Alteration	Both	Individual	Local	Redeposit item six months later, change amount	

Channel	Preventative Technologies
Inclearing	Duplicate detect on serial, possible bad image
Deposit	Duplicate detect on serial, possible bad image