

# OrboNation Newsletter: Check Processing and Fraud February 2023



## Banks Reported 84% Increase in Check Fraud from 2021 to 2022 – According to US Treasury FCEN

Many industry experts agree that check fraud has grown 3X from its pre-pandemic levels. We now have data to confirm the continued upward trend of check fraud -- reported by the Financial Crimes Enforcement Network (FCEN), a unit of the U.S. Treasury Department. According to a CNBC interview with Paul Benda of the American Bankers Association, **banks absorbed nearly 250,000 cases of check fraud nationwide in 2021. By last year, that number exploded: nearly 460,000 check fraud cases were reported – an increase of 84%.**

While 84% is significant and confirms the steep increase of check fraud, we must remember that this represents only the number reported at the FCEN. While the FCEN mission is to "safeguard the financial system from illicit use, combat money laundering and its related crimes including terrorism, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence," official aggregated industry numbers have not been previously reported by the FCEN.



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## OrboAnywhere Version 5.0 Released with OrbNet AI Free Read

Handwritten and printed payee recognition expands product capabilities, new GPUs also certified

**Burlington, MA, January 26, 2023** – OrboGraph, a premier supplier of check processing automation and fraud detection software and services, announced the release of OrboAnywhere Version 5.0 to business partners in December 2022. Version 5.0 delivers major architectural modernization and is applicable to all OrboAnywhere Modules...



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### 59% of FIs Experienced Increase in Overall Fraud Rate

Fraud is both costly and common. In the last two years, 52% of companies with at least \$10 billion in revenue experienced some sort of fraud, according to a 2022 survey. For 1 in 5 of these companies, the most expensive fraud attack costs more than \$50 million. The problem appears to be worsening...

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### Paper Checks: Why Individuals Still Use Them

Yahoo!Life reports that in GOBankingRates' Best Banks 2023 survey of 1,000 Americans, 22% of respondents said they still write checks at least once a month. And surprisingly, of these respondents, the largest percentage belonged to those between the ages of 18 to 24 (28%). Paper checks might...

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### How Artificial Intelligence is Changing the Face of Fraud Detection

Artificial intelligence is changing the dynamics of businesses, and the banking system is no exception. From mobile banking to customised customer service, the role of AI technology is transformational. The hassle of standing for long hours to get banking services is slowly becoming a thing of the past for retail...

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### Video Interview with Aite-Novarica Group: Exploring Check Fraud Technologies

In a new video at FraudToday.io, Trace Fooshee, strategic adviser with Aite-Novarica Group, discusses strategies and tools to detect check fraud, and challenges to overcome.

He notes immediately that "unfortunately, check fraud is back," and cites an American...

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### 19% of Healthcare Insurance Claim Payouts Made by Check

In the digital era, we tend to think payments are all traveling via this or that payments app. However, the latest PYMNTS/Ingo Money collaboration, "Insurance Disbursements Brief 2022," noted the surprising prevalence of paper checks used for healthcare claim payments or disbursements...

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### Collaborating with Core Processing Providers & Fintech Critical for Banking Digital Transformation

The Financial Brand cites a recent report from the Federal Reserve that delineates three types of digital banking experience partnerships being sought by banks and credit unions looking to modernize digital banking experiences...

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### New Deposits: Check Fraud a Major Threat for Banks

As we've noted here frequently, check fraud is on the rise. In fact, PYMNTS.com notes that you can enter the term "check washing" into any search engine and see a substantial number of headlines that have accumulated just over the past several days and weeks describing all manner of scams impacting businesses...

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### Digital Banking Growth: Market Valuation Predicted to Exceed \$13.5 Trillion by 2032

The growth and ubiquity of digital banking is good news for financial institutions, as digital banking availability and usage has been shown to drive customer loyalty and provide a host of other benefits. Fueled by the pandemic, digital banking is now the most popular method for users to perform their financial banking needs...

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### USPS Outlines 10-Year Reform Plan – Are Stolen Checks Addressed?

One of the more horrific wrinkles in the check fraud phenomena is the rise in actual physical attacks on United States Post Office carriers by assailants looking for mail containing checks that they can use to scam banks. The Post Office and its leadership have been criticized for a perceived lack of attention...

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