

OrboNation Newsletter: Check Processing and Fraud April 2024



Is Instant Disbursement the Answer to Fraud?

As we all know, check fraud continued to surge in 2023, and is likely to surge in 2024. A post at PYMNTS.com reported estimates by the Financial Crimes Enforcement Network that check fraud has increased by double-digit percentage points, with stolen mail and alteration of checks being a major factor.

PYMNTS.com argues that digital disbursements can be the remedy for check fraud, and goes on to say that the following is among the remedies recommended by the Fed:

Disbursements offer an avenue by which digital payments can continue to grow — and corporates and government agencies can cut down on paper check issuance, and by extension, hobble at least some check fraud.

While this advice may seem fine on its face, it should be noted that data from the PYMNTS survey covers only the consumer side -- there is no B2B information weighed in.

[Read the full article →](#)



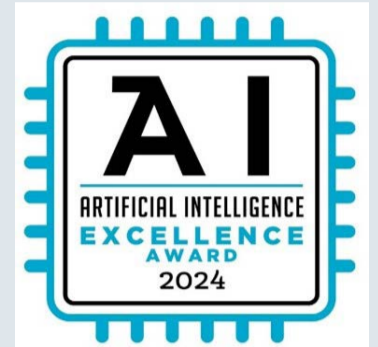
OrboGraph Awarded AI Excellence Award by the Business Intelligence Group for Innovations in Check Fraud Detection

OrboAnywhere Sherlock 5.3 Release blends consortium and dark web monitoring with image forensics

Burlington, MA, March 26, 2024 – OrboGraph, a premier supplier of check processing automation and fraud detection software and services, has won the prestigious AI Excellence Award in the Hybrid Intelligent Systems category for significant contributions to enhancing check fraud detection capabilities through its integrations to leverage consortium data from Advanced Fraud Solutions (AFS) TrueChecks®, along with the ThreatAdvice dark web monitoring service called Dark Defend. This is the third consecutive year that OrboGraph has won this award.

OrboGraph has been at the forefront of combating the surge in check fraud, which has seen a 3-4X increase from pre-pandemic levels. Leveraging OrbNet Forensic AI technology, the OrboGraph OrboAnywhere suite has achieved remarkable success, boasting detection rates as high as 95%+ on counterfeits, forgeries, and alterations.

[Read the full press release →](#)



Telegram: Understanding Why Fraudsters Use It

We all seem to know at least one person who has been the victim of an online scammer. Social media, unfortunately, provides a fruitful venue for scammers looking for victims. Social media -- specifically the popular messaging app called Telegram -- provides an easy-to-access marketplace for fraud...

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PYMNTS.com Shines Light on the Importance of FinTech Partnerships for FI Digital Transformation

Banks are partnering with FinTech companies to leverage their specialized solutions and enhance their existing offerings. Bank-FinTech partnerships highlight the importance of interoperability and open banking principles in driving innovation in financial...

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Americas	EMEA ¹	Asia-Pacific
• Payments Fraud.....\$102.6B	• Payments Fraud.....\$94.0B	• Payments Fraud.....\$190.2B
• Check Fraud.....\$21.0B	• Advance Fee Scams.....\$6.2B	• Credit Card Fraud.....\$11.9B
• Credit Card Fraud.....\$13.8B	• Credit Card Fraud.....\$3.1B	• Advance Fee Scams.....\$4.2B
• Cyber-Enabled Scams.....\$5.0B	• Cyber-Enabled Scams.....\$3.1B	• Check Fraud.....\$5.1B
• Advance Fee Scams.....\$4.7B	• Employment Scams.....\$1.7B	• Impersonation Scams.....\$3.8B
• Impersonation Scams.....\$1.6B	• Impersonation Scams.....\$1.4B	• Cyber-Enabled Scams.....\$1.9B
• Employment Scams.....\$1.6B	• Confidence Scams.....\$1.2B	• Confidence Scams.....\$1.7B
• Confidence Scams.....\$0.9B	• Check Fraud.....\$0.5B	• Employment Scams.....\$0.6B

The FED: Decrease in Check Volume Doesn't Mean Decrease in Check Fraud

Jessica Washington, AAP, assistant vice president in the Retail Payments Risk Forum of the Federal Reserve Bank of Atlanta, notes in a post at their blog, Take On Payments, that check volume has been declining. However, check fraud is booming, with financial institutions reporting...

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CBS News Reports Disturbing Data on USPS Universal "Arrow" Keys

CBS News reports that while the US Postal Service claims to be applying "rigorous action" to the mounting problem of mail theft -- checks, packages, and the sensitive information that identity thieves crave -- the postal service seems to be paying "lip service" to their claim of heightened...

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Fintech Futures: Are Legacy Core Systems the Banking Equivalent of "Kodak" and "Blockbuster"?

At Fintech Futures, banking industry veteran Dharmesh Mistry argues that that many banks still rely on outdated legacy core banking systems that do batch overnight processing -- once considered very fast and efficient -- rather than engaging truly...

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Starting from the Beginning: Common Check Fraud Scams and Examples

While many of our blogs take an in-depth look into different topics and trends surrounding check fraud, it's important to remind ourselves of the various types of check fraud and stay abreast of the different scams fraudsters are using. We recently detailed a glossary of fraud terms...

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Bank Mergers & Acquisitions: Fraud Concerns with Legacy Systems

In a recent post at PYMNTS, acting Comptroller of the Currency at the OCC Michael Hsu supports the FDIC's proposal for increased scrutiny on bank mergers exceeding \$100 billion in combined assets. "Healthy bank mergers -- i.e., those that benefit communities, support bank...

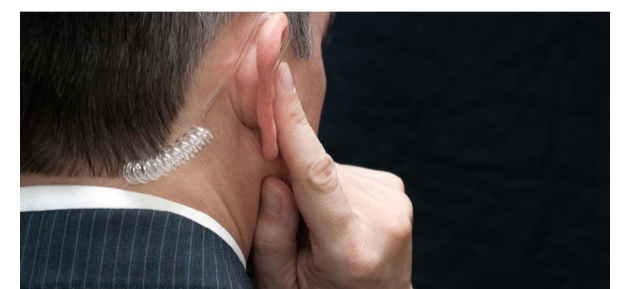
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Understanding the Bitcoin Halving: Implications for Investors and Payments

One of the hottest topics in the news this week is Bitcoin Halving. The Bitcoin network is built on a foundation of scarcity and decentralization, with Bitcoin halving playing a pivotal role in both. This event, occurring approximately every four years, is not only a scheduled element of the Bitcoin...

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Ex-US Secret Service Member Recounts the History of Check Fraud Investigations

Some may be surprised to see the Secret Service mentioned in conjunction with financial crimes. Don't they wear dark glasses and guard the President and other government figures? Matt O'Neill, whose United States Secret Service (USSS) title was Deputy-in-Charge Cybercrime...

[Read the full article →](#)



Push Notifications – Putting the Onus of Check Fraud on Consumers?

Mr. Shkedi explains that FIs need to adopt technologies and practices that foster "direct communication with their customers." This enables FIs and their customers to detect check fraud faster. In most cases, check fraud takes advantage of the time it takes for funds to clear as well as the lack of direct...

[Read the full article →](#)



Drivers for Upgrading Core Systems in Banking

Legacy systems at many banks are no longer adequate to meet modern needs. Upgrades to cloud-native platforms are needed to improve agility, integration, and the customer experience.

But, what are the main drivers?

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New Cooperative Effort to Fight Mail Fraud

The American Bankers Association and the U.S. Postal Inspection Service have announced a cooperative effort to combat check fraud, kicking off the partnership with a rather extraordinary new infographic designed to educate consumers about what they can do to protect their mail and their checks...

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