



Millions in IRS Refund Checks Stolen and Altered

When you think about different types of checks, which do you believe is the most desirable to fraudsters?

The answer is **treasury checks**. When a fraudster is able to steal a treasury check, they can simply alter the payee and deposit the check into a drop account -- typically by mRDC of ATM to avoid a bank employee reviewing the physical item. And, since treasury checks are seen as "good items," the funds are available to the account owner faster (depending on your financial institution's funds availability policies).



With this in mind, the Wall Street Journal reveals that millions of dollars in IRS refund checks sent through the mail are being stolen as part of a massive fraud scheme. Refund checks, ranging from hundreds to hundreds of thousands of dollars, never arrived and were allegedly stolen.

According to the report, over 200 taxpayers have complained to Rep. Nicole Malliotakis (R-NY) that their refund checks were "intercepted." Malliotakis represents Staten Island, and said the 218 cases fielded by her office include checks totaling \$3.8 million.

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Is Check Fraud Putting mRDC at Risk?

Mobile Remote Deposit Capture (mRDC) has been around for decades. It is the most convenient method for individuals and some businesses to deposit checks. However, mRDC comes with inherent risks. Financial institutions do not know who is making the deposit. Furthermore, FIs are only...

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PYMNTS.com Research: 72% of Finance Leaders Actively Use AI in Their Operations

Amid rising consumer frustration with traditional banking, PYMNTS asks: Can AI enhance the retail banking experience for the better? PYMNTS has released an Intelligence report, "Is AI the Master Key to Banking's Next Era?," in collaboration with...

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Fidelity Responds to Check Fraud Glitch by Slashing Deposit Limits — Is It Enough?

Recently, we covered research from Frank McKenna, author of the Frank on Fraud blog, where he notes that "the mention rate on criminal channels has spiked by 300% and is on a pace to increase by over 700% by the end of September."...

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OrboGraph Virtual Check Fraud Roundtable

October 30, 2024
1:00 PM - 3:00 PM EST

[Click here to RSVP →](#)

Agenda topics:

- Recap of May 2024 OrboGraph Tampa Conference
- ABAAML and Fraud School: What we/you need to know...
- Survey results: What financial institutions are saying
- Your top check fraud issues of 2024 (Interactive)
- 2024 Field Report from OrboGraph: EOY expectations
- Sherlock (5.3) features & deployment status
- Roadmap update for OrboAnywhere 6.0 & 6.1 & 6.2
- Check fraud SAR comparisons (Does it matter)
- Fraudulent dark web check fraud data collected by ThreatAdvice
- Constructing the strongest deposit fraud prevention strategy...& making it happen
- New partners, new ideas, new solution considerations



Business Switching to Alternative Payment Methods are NOT the Answer to Check Fraud

Fraudsters do not discriminate when it comes to who they victimize -- individuals, businesses, and even the US Treasury are targets. Businesses become an even greater target, as their checking accounts typically hold more funds than individuals...

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Paper Checks Continue to Persist in Healthcare Payment Reimbursements

As many are aware, healthcare is a complex industry. From the delivery of care for patients to insurance paying the healthcare provider, there are dozens of systems that are being utilized by each party. The result is that, even though there have been innovations across the entire spectrum, paper persists...

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BAI Podcast: Combating Check Fraud with a Strategic Mindset

The complexity of check fraud creates difficult challenges for banks. From the methods to the schemes, banks are at a major disadvantage -- seemingly always being reactive. However, as discussed during a recent BAI Banking Strategies podcast, Greg Kanevski, Global Head...

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ABA Launches "Practice Safe Checks" Campaign

The American Banker's Association announced via LinkedIn that, in recognition of Cybersecurity Awareness Month, they are launching Practice Safe Checks, a new campaign that equips banks with tools to illustrate for their customers ways to protect themselves against the growing threat...

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Reinventing Banking Podcast: "Behavior" A Major Factor for Check Usage

The latest episode of the Reinventing Banking podcast addresses the status of checks -- both in terms of usage and ongoing fraud challenges. The podcast features Kiah Lau Haslett, Banking & Fintech Editor, discussing with Shai Stern, CEO of CheckAlt on a variety of topics...

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Are Community Banks and Credit Unions Prime Targets for Check Fraud?

Community banks and credit unions are often portrayed as integral to a community or region. Typically, they differentiate themselves from the larger financial institutions by servicing their communities and building a strong relationships and ties within their region. However, could this also be...

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Valley Commercial Bank Provides Guide for Businesses to Prevent Check Fraud

Valley Commercial Bank announced via LinkedIn that they've released a concise guide to protecting businesses from check fraud called Safeguarding Your Business with Check Fraud Prevention. Commercial checks, as we know, are worth more on black market -- often twice that of personal...

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FINOS Introduces AI Adoption Framework

We recently noted that 72% of finance leaders actively use AI in their operations, showing that FI leaders see the importance of AI technology. However, unlike the EU, the USA has been slow to adopt regulations for AI, particularly large language models (LLM). Before partnering with new technology...

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Detecting Check Fraud: Key Indicators and Prevention Strategies

In the ever-evolving landscape of banking, the threat of check fraud looms large, presenting a significant risk to the integrity of financial transactions. As leaders in the field, we understand that effective fraud risk assessment and check fraud detection are crucial for protecting both our institutions...

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